

In Memoriam

Cassius M. Clay, Jr.

1846—1913



C. M. Clay Jr .

[Aetat 45]

From a Photograph taken while President of the
Constitutional Convention



The
Speeches, Addresses
AND
Writings
OF
Cassius M. Clay, Jr.

Including A Biographical Sketch

BY

James K. Patterson

PRESIDENT EMERITUS, STATE UNIVERSITY OF KENTUCKY

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CONTENTS.

	PAGE
<i>Biographical Memoir, by Pres. James K. Patterson</i>	9
Commencement Speech at Yale, 1866.....	21
The Fallacy of Usury Laws: A Speech on the Conventional Interest Law.....	27
The Electoral Bill Agitation.....	45

EXTRACTS FROM RAILROAD ARTICLES.

I. On Public Aid of Local Companies.....	51
II. On Limiting Railroads to Railroad Business.....	53

FROM THE RECORD OF THE CONSTITUTIONAL CONVENTION.

I. Speech, Accepting Presidency of the Convention.....	55
II. Speech on the Revision Clause	57
III. On Railroad Commissioners.....	60

Speech Before the Democratic State Convention, 1895, When Defeated for the Nomination for Governor.....	65
The Louisville <i>Post's</i> Summary of a Speech Before Commercial Convention	69
In Eulogy of Hon. Wm. Goebel	73
Speech on the Tariff, at Louisville, Nov. 3, 1894.....	77
Speech in Favor of Sound Money, 1896; a Reply to Sen. Stone of Missouri.....	93
Cause of the Split in the Democratic Party, 1902.....	105

	PAGE
Why Conservative Democrats Should Vote for Taft.....	109
In Answer to Judge Lindsay.....	117
The Tobacco Question	125
Same, In Answer to Judge O'Rear.....	139
The Taxation Amendment.....	145
The Initiative, Referendum and Recall.....	149
Same, Further Discussed.....	157
The Philosophy of Life: a Fragment	163
Nature of the Allegiance That a Man Owes His Party to Support its Nominees.....	175

BIOGRAPHICAL
MEMOIR

BIOGRAPHICAL MEMOIR.

The common ancestor of the historic Clays of Kentucky is believed to have been John Clay, a native of England, who came to Virginia as a Grenadier of the British Army during Bacon's Rebellion. From him it is said Green Clay, pioneer, soldier and statesman, was descended, who was born in Powhatan County, Virginia, August 14th, 1757, and who emigrated to Kentucky when about twenty years of age. He was well educated, a good mathematician and a surveyor. The large bodies of Blue Grass land which he acquired laid the foundation of the ample estate which he left behind him. Kentucky, which was then a part of Virginia, elected him its Representative in the Virginia Legislature and afterward chose him its delegate to ratify the Federal Constitution. He afterward, when Kentucky became a State, was elected a member of the Convention which formed the Constitution of 1799. Thereafter he served in the Legislature several successive terms, during one of which he was elected Speaker.

He enlisted as a volunteer in the war of 1812, rose to the rank of Brigadier General, and was placed by Governor Shelby in command of 3,000 Kentucky troops sent to raise the siege of Fort Meigs, a task which he skillfully and gallantly accomplished. After the close of the war he retired to his princely estate in Madison County, where he died on October 31, 1828, in the seventy-second year of his age. To General Green Clay were born seven children, three sons and four daughters, of whom Brutus J. Clay, the father of the subject of this sketch, born in 1808, was the second son. Another son was Cassius M. Clay, soldier, diplomat and writer, who took a prominent part in the Anti-Slavery Controversy which ended in the Civil War. Brutus J. Clay was

educated at Centre College, settled in Bourbon County as a farmer, and was for many years one of the most successful stock-breeders in Kentucky. In 1840 he was elected a member of the Legislature, in 1853, President of the State Agricultural Association, and in 1862, Member of Congress. He died in October, 1878, leaving by his first wife four children and by his second, Cassius M. Clay, Jr., who was born March 26, 1846, at Auvergne, Bourbon County, in the house in which he lived and died.

Mr. Clay was prepared for college by B. B. Sayre, of Frankfort, one of the ablest and most successful teachers in Kentucky. He entered the Junior class of Yale College in 1864, graduating in 1866 fifth in his class. He was a fine classical scholar, well versed in mathematics and more than ordinarily proficient in the natural science of the day. He was an indefatigable reader, an independent thinker, a profound student of History, Economics and Sociology, and flung himself eagerly into the controversial literature which rapidly grew up after the publication of Darwin's "Origin of Species." He was thoroughly versed in the logic and political economy of John Stuart Mill, and became an enthusiastic adherent of the philosophical system of Herbert Spencer, based upon a modified Darwinian theory of Evolution. He had learned thoroughly the great lesson which he taught by precept and example, viz.: that the end of education is to teach man to think, to think clearly, to think quickly and to think accurately.

After graduation Mr. Clay settled on his ancestral estate and applied himself to agriculture. But such a man could not long remain in seclusion. In 1871 he was elected to the Legislature, and at the end of his term was elected for a second term. From 1885 to 1889 he was a member of the State Senate, and in 1890 he was chosen delegate from Bourbon County to the Constitutional Convention. In 1891 he became a candidate for the Democratic nomination for Governor, but was defeated by the Railroad Interest,

and was again defeated for the nomination in 1895. This was his last appearance as a candidate for political office.

In politics Mr. Clay was a Democrat of the Cleveland type, a firm believer in and an able advocate of the system of "checks and balances" provided for under the Constitution against the irresponsible rule of a majority. He was a constant advocate of a "Tariff for Revenue only," and of a sound fiscal policy, adhering to a gold basis. He held in just contempt the heresy of a double standard and treated with scorn the craze of "16 to 1." He held that the great danger of the future would be Communism and Socialism, and hence opposed all insidious efforts to break down the barriers which protect life and property through the gradual extension of Government monopoly in the field of governmental domain.

One of the most conspicuous features of his character was his utter impartiality. This perhaps grew out of his strong sense of justice, his clear intuition of truth and his adherence to principle. No one ever suspected him of selfish or narrow motives. He was charitable in his judgment of others, conservative, even-tempered and controlled by high ideals of life and of duty. He was simple in his tastes and wants, courageously cheerful in sorrow, reserved in business and private affairs, yet capable of strong and deep affection, standing steadfastly by his friends. During the later years of his life his health was precarious and required close attention, but even thus, no duty was neglected and no obligation left unfulfilled. He was closely identified with the various agricultural and business enterprises of his native county. Only a few days before his death, though weak and just out of the hospital, he attended a meeting in Paris of an important association of which he was a member. His death occurred after a brief illness, November 27, 1913.

Mr. Clay was thrice married. (1) to Miss Sue E. Clay, who bore him two sons and two daughters. The sons, Junius B. and Samuel Henry, predeceased their father, the

former dying at the age of 33 and the latter at the age of 22. Of the two daughters, Anne L. is the wife of W. Rodes Shackelford, of Richmond, and Sue E. the wife of Dr. Cyril Goodman, of Cairo, Egypt, where he has been in the service of the British Government for many years. (2) After the death of his first wife, June 6, 1880, Mr. Clay married October, 1882, Miss Pattie F. Lyman, who survived her marriage a little over a year, leaving a daughter, who died in infancy. (3) In December, 1888, Mr. Clay married Miss Mary Blythe Harris, of Madison County, who, with two sons, Cassius M. and John H., survive him.

In the Legislature, as a member of the House of Representatives and as a member of the Senate, he made his presence felt in no small degree. In every important measure which came before either body members were ere long able to anticipate on what side Mr. Clay would stand. His extended reading and his profound knowledge of political philosophy gave him an easy mastery of principles, and his wide range of historical knowledge supplied him with abundant illustration. The writer, though never a member of either House of the General Assembly, has been for more than forty years more or less familiar with the personnel and calibre of both Senators and Representatives in successive Legislatures. During this period he has not known a member of either House the superior of Mr. Clay in a knowledge of parliamentary law, the rights and duties of citizenship, and the means by which these rights and duties may legitimately be maintained. He was familiar with the aggressive appearance of Socialism, Collectivism, Opportunism in France and Germany, in England and America. To combat these and hold them in check he held would in the near future be the chief concern and highest duty of all good citizens. He had no panacea for all political ills. He trusted to the growth of intelligence, the diffusion of learning and to the development of a sound political morality to supply the proper remedy in dealing with all questions of govern-

ment and economic legislation as they arose. Saturated with the best thought of the greatest political economists, he followed none of them slavishly, but appropriated and applied what was best in each to the upbuilding and maintenance of the political and social fabric inherited from the founders of the Republic. In debate he was fair and courteous to an opponent, conceding all that might with propriety be yielded, but seizing the salient facts and driving them home with resistless logic. He invoked no adventitious trappings of oratory. He told a plain, straightforward tale, but when he sat down friends and opponents alike felt that his argument was the work of a thinker, fearlessly and cogently and convincingly spoken. In his public life, whether as a candidate or lawmaker, his most noticeable asset was the conviction which the public had of his absolute candor, veracity and integrity and his scorn of meanness, prevarication and duplicity. Whether for you or against you, there he stood in the plenitude and panoply of a great man "to give the world assurance of a man."

When the Constitutional Convention, to which Mr. Clay was a delegate, assembled in 1890, he was elected its President. His great ability, his fine scholarship, his philosophic culture, his knowledge of law and his knowledge of men made his selection for that distinguished honor, when his candidacy became known, a foregone conclusion. His knowledge of legislative procedure and the fairness of his rulings, the impartiality shown in the composition and morale of his Committees, assured adequacy of treatment and due consideration of all the business which came before them. Ample opportunity was given for full and fair discussion of all measures reported to the Convention through its Committees, while dilatory procedure was held in check. Great interests were involved. Educational, industrial, religious, moral, the reciprocal rights and duties of individuals and of corporations, of capital and of labor. In all these a steady hand and a level head were required. And when the convention ad-

journed, the conviction prevailed that no speaker had ever presided over a deliberative body in America with more ability, integrity and efficiency than had Mr. Clay over the Constitutional Convention of 1890-91.

In January, 1902, Mr. Clay was appointed a member of the Board of Trustees of the State University, in which capacity he served until June, 1913, when he offered his resignation. During his period of service his broad and liberal education and his intimate knowledge of the educational necessities of the State were of incalculable value to the Institution. His high character throughout the Commonwealth, his well-known integrity and his knowledge of what a University should be, gave the public confidence in its upbuilding and usefulness. His constant effort was to promote economy and efficiency of administration and high standards of scholarship and of character. He considered it important to make scholars, but far more important to make men.

In all the relations of public and private life Mr. Clay impressed those with whom he came in contact as a man able, upright, sincere and honorable, despising pretence and sham. He was just and considerate to all, with a large reserve of force behind all he did and said. His constant aim was to discover fundamental principles and to build thereon.

Mr. Clay was still in the prime of manhood and intellectual vigor when he died. His mind was clear and strong, his mental activities unimpaired, his conception of men and things clarified by experience. A well-rounded man, a great man, and above all a good man, his departure left a void which cannot readily be filled. The State University conferred upon him in 1909, in recognition of his worth, the honorary degree of LL.D., Doctor of Laws, and no honor ever conferred by the University was more deservedly bestowed.

The following appreciation of Mr. Clay appeared in the Louisville Post, November 29th, two days after his death:

"The death of Cassius M. Clay was announced yesterday. Mr. Clay has pursued an honorable course in public life in Kentucky. He was a member of the Legislature, President of the Constitutional Convention, and always an active party leader. He was a man of high personal character with a thoroughly trained mind and with high standards of public conduct. Beyond all public office, Mr. Clay was interested as a private citizen in public affairs and exhibited the highest type of Kentuckian in private life. It is a long time since Mr. Clay occupied a public position or sought one, but in all these years he has been a loyal citizen, advising his fellow citizens upon all matters of public concern. It is men like Mr. Clay in the private walks of life who direct and control public opinion. It is to this tribunal that every cause must go for final decision.

"The death of such a man trained in the schools and the active callings of life is a distinct loss to the State."

To this estimate may be added the action taken by the Board of Trustees of the State University upon the resignation of Mr. Clay, June, 1913, and the resolutions adopted at the mid-winter meeting following:

"Mr. Stoll suggested that the resolutions concerning the death of Mr. Cassius M. Clay be taken up at this time, and they were read by Dr. James K. Patterson as follows:

"It is with sincere regret that the Board of Trustees of the State University of Kentucky record the severance of their official relations with Hon. Cassius M. Clay by his voluntary resignation of the office of Trustee which he has held by appointment for nearly twelve consecutive years. His eminent ability, his fine education—broad, liberal, thorough—his high character for honor and integrity, his distinguished reputation for patriotism and practical statesmanship, and his unswerving loyalty to the best interests of the Commonwealth, all combined to make him a Kentuckian and an American citizen of the highest type. During his long connection with the Board of Trustees, Mr. Clay gave dig-

nity and prestige to the proceedings. His straightforwardness, his manliness, his well defined opinions upon organization and policy, his utter impartiality, and the energy and earnestness and intelligent breadth of grasp with which he expressed his convictions never failed to make a deep impression on his colleagues. By all he said and did the conviction was borne in upon all—here is a just man and a great, in whom justice and truth are the impelling and controlling elements of his being.

“During the forty-eight years of its existence, the State College—now the State University of Kentucky—had no more distinguished member of its Academic Board, no more intelligent and impartial director of its organization and management, no more scholarly guide in framing and coordinating its policies, and no more impartial and just arbiter in differences which emerged in relation to its activities and control.

“The untimely death of this distinguished man adds poignancy to the regret felt because of his voluntary severance of his relations with us. Not the State University only, but his State and the Nation are distinctly poorer to-day because of the passing of such a man. In the language of the Latin poet whom he loved so well,

“*Quis desiderio sit pudor aut modus
Tam cari capitis?*”

“When Milton bewailed the untimely death of Lycidas, Lycidas was young. Mr. Clay, though somewhat advanced in years was young in spirit, full of intellectual vitality and vigor, in full accord with all the efforts to advance and elevate mankind. In him was youth ripened by experience, but youth still. With equal propriety, then, and with equal sorrow and regret we may paraphrase the language of Milton:

“Lycidas is dead, dead while in his prime.
Who would not ‘mourn’ for Lycidas?”

SPEECHES
AND
WRITTEN ARTICLES.

NOTE

By C. M. CLAY, III.

It was Father's wish that certain of his written articles and speeches be preserved in book form for his friends and family. The selection of these articles follows a list made out in his own handwriting. Briefly stated, the purpose of this volume is to preserve his ideas and opinions on various questions of public interest.

Representing, as it does, my father's convictions during a considerable period of his life, this book may be said to form a certain approach to biography, as it were, a record of his position in reference to public issues.

The Commencement theme at Yale is included, as an early specimen of his thought and writing. A few notes of explanation have been inserted where thought necessary.

Grateful acknowledgment is due to Mr. Wm. L. Yerkes for his invaluable assistance to the writer in the preparation of these notes and in the general editing of this book; and like appreciation is expressed to Pres. James K. Patterson for the biographical sketch which forms its preface.

PARIS, KY., Sept. 10, 1914.

THE PERMANENCE OF ENGLAND.

*Oration Delivered at Yale During the Commencement
Exercises of the Class of 1866.*

If we were required to determine whether a certain building would continue to exist with immunity from the ravages of time, before answering in the affirmative we should first examine its foundations and the materials of which it was constructed; we should see that no rock in the foundation was crushed; that the walls were not racked by the settling of the superstructure, but made more firm and compact; we should see that the materials were hard and lasting in their very nature and composition. So, in answering the question whether England will remain permanently a great power, we shall first carefully examine the foundations of her greatness; we shall see if they are firm and stable, if they are resting on the eternal rock of justice and right.

Her colonies, commerce, situation, institutions, government, and the character of her people are the only points necessary for us to examine to justify ourselves in concluding that England is a great permanent power. The character of her people is known to all; active, self-reliant, and persevering, they are the leading race of the globe. We can form no better idea of this character than by mentioning a few of the results wrought out by manly independence and perseverance. Here first Civil Liberty in the annals of Modern Europe came in contact with Despotism, and wrested the scepter from his grasp. Here first Free Inquiry defied with impunity the dominion of Catholicism and the spiritual absolutism of the Pope. Here first a Shakespeare wrote, with lifelike accuracy, of human nature in all its phases and conditions; and a Milton sang of a holy and

sublime theme with fit power and majesty. Here the human mind lit up, with greater brilliancy than ever before, the vistas and intricacies of Speculative Morality, and in physical science made manifest the before mysterious, but now simple, laws of nature. Here first were guarantees of personal rights demanded and obtained; and slowly, but surely, were raised those bulwarks of Civil Liberty by which the humblest subject, in the maintenance of the right, can safely defy the King. Here finally have revolutions bloodlessly run their course, without destroying any of those precious guarantees, or radically changing the form of government. In the future, as in the past, the English character will be the corner stone of her greatness; for its stability and conservatism are not decaying, but progressing.

Let us now examine her institutions, which are our pride as well as England's. The trial by jury is free from executive interference. No Star Chambers or extraordinary courts are tolerated. The prerogatives of the King are definitely defined, and more closely hedged in. The elective franchise is more widely exercised. In fine, her institutions are constantly becoming more elaborated by internal, and not external, action, and are becoming better adapted to secure and preserve the rights and liberties of a free people.

In her government we see this same approximation to right. A few years ago imprisonment and other outrages were frequently resorted to by the government and tolerated by the people. They are so no longer. Then Irish wrongs were fearful realities. Now a much wiser and more humane policy is exercised toward Ireland. Her colonies are better governed. Her internal policy is less corrupt. Private rights are more carefully respected. Broader and more comprehensive views guide the helm of State. Again there is something in the very nature of the English Government that essentially renders it permanent. No exclusive principle has the predominance. Monarchy is represented in the person of the King; Aristocracy in the House of Lords; and

Democracy in the House of Commons. This complex nature, the result of compromise, destroys radicalism of every species, and renders impossible opportunities for destructive revolutions.

The situation of England is such that it is impossible that she extend her territory by continental conquest, even if the European system of balance of power did not prevent it. The extent of her territory is incompatible with a larger population; but yet the very fact of isolation secures her from conquest by a foreign foe, and the small extent of her territory guarantees the purity of the race, both by preventing immigration and necessitating emigration from the more worthless classes.

Much can be said of her colonies and commerce. Her colonies are now more extensive and opulent than at the time British officials administered justice in the United Colonies of America; for, although the grand "Republic of the West" has long since broken the ties that bound her to the mother country, she has founded in the East an empire no less durable and more opulent than that of Alexander. She has more shipping than in the most glorious era of the past. The very fact of more extensive colonies and greater commerce is a strong presumption that the climax of colonial and commercial greatness is not yet reached. We will not, however, be satisfied with mere presumptive evidence, for it is too liable to deceive. There was a presumption that Rome under Augustus, as she was at the acme of her glory and a conquered world lay at her feet, would continue to direct the destinies of nations, yet scarcely four centuries saw her lying at the mercy of the barbarian.

It is affirmed that as the world becomes more civilized nations are more impatient of external rule, and therefore in course of time England's colonies will become independent nations. We deny the conclusion—we deny it because we believe it false. So long as the ruling nation is more intelligent, better able to defend the colony from foes, to pre-

serve order, and prevent civil commotion, to regulate trade and punish offenders against the law of nations; so long as the colony is not embittered by some great mistake in policy, as in the case of America, it will be for the interest of the colony to carefully preserve its relations with the mother country. Is there any prospect that Indian civilization will in years to come compete with Anglican? Again, the most intelligent and powerful class in all the colonies is composed of English emigrants, men who love their country, take pride in its past history and esteem it a privilege that they belong to the empire. If independent, they will be subject to insult, foreign domination and civil commotion. As members of the empire, the British power avenges their wrongs; and they possess far more privileges than the Roman could boast when he exclaimed with pride, "I am a Roman citizen."

But suppose for sake of argument we grant the conclusion—Cannot England in this case connect herself with the colonies by ties of interest and gratitude? Cannot this connection promote her prosperity fully as much as the present relation? It seems to us very feasible for England, even if she cannot hold them as colonies, thus to establish throughout the world independent nations, bearing the impress of her civilization, having incorporated in their governments those principles of Anglican liberty which nineteen centuries of Christian progress have but barely evolved and matured; firm allies to defend her in danger; the development of whose resources cannot but promote the trade of England; the noblest and proudest monuments of the industry and perseverance of that little island whose past history has been a most happy realization of the favorite maxim of one of her most illustrious sons, "Knowledge is power."

We see no reason why her trade should decline. Her people are a commercial people both by disposition and situation. The result of having greater rivals in the future will only be greater activity and energy.

Thus we see her institutions made more firm and sacred by time; her government less corrupt, more nearly based on principles of right and justice; her situation, taken in conjunction with her inherent strength, such as to defy foreign invasion and conquest; the character of her people having been constantly disciplined by struggle and suffering, approaching a more perfect state; her colonies and commerce, the one adding materially to her prosperity, whether as colonies or independent nations, the other not only surpassing that of all other countries, but a blessing to humanity, as it makes the most civilized and religious people on the face of the globe the principal agent of the Creator in spreading civilization and religion. Before decline, the seeds of dissolution must be planted. We ask if this approximation to right in every sphere is the forerunner of decay? If so, then our ideas of right, morality, and the workings of Providence are essentially wrong. It has been said that the prosperity of England began to decline when continental conquest was abandoned, when France was given up by John Lackland; we deem it a most fortunate circumstance both for her dignity and independence. We are told that every nation in the past has risen only to decline. We admit it. But we claim that the adoption and faithful observance of the precepts and spirit of the Christian religion have added a new condition to the problem of nations. We claim that in the future particular nations and civilizations will not be brilliant meteors that rise only to disappear, and make more hideous the darkness that follows; but great planets that appear during the whole night, and at the dawn of the perfect day, only dimmed by that great luminary from which they derive their radiance. We claim that these Christian nations shall disappear only when the lines that separate them one from another shall fade away in the brighter glory of the universal kingdom of perfect right and justice.

ON THE CONVENTIONAL INTEREST LAW.¹

"We publish this morning the speech of Hon. Cassius M. Clay, Jr., on the bill presented to the Legislature to repeal the ten per cent. interest (Conventional Interest) law. Mr. Clay's speech will repay careful perusal. As a specimen of close reasoning, logical deduction and philosophical investigation, it is, perhaps, unequaled by any speech made this winter at Frankfort. Mr. Clay made the bill now pending the issue in his canvass last summer, and his effort shows that he has given much thought to the subject."—Old clipping, presumably from a Louisville newspaper.

I wish simply to make an argument on this question without any attempt at rhetorical display, without any appeal to prejudice. I will say in the first place that I consider this question from the standpoint of a low actual rate of interest. I consider a low actual rate of interest much more conducive to the progress and prosperity of the country than a high rate. My policy would be to pass such laws, grounded on a thorough knowledge of the laws of trade, as would conduce to the furnishing of money to the borrower at the lowest possible rate. But I must say that I differ widely with the gentleman from Marion as to the means by which such result is to be obtained. He thinks that it can be done

¹ This speech was made in the Kentucky Legislature at Frankfort in 1871 against the repeal of what was known as the Conventional Interest or ten per cent. Interest Law. As the statutes have since been changed, it may be well to briefly restate the issue. The Conventional Interest Law, then of comparatively recent adoption, allowed any interest to be charged up to 10%, provided the rate be specified in a written agreement between borrower and lender, otherwise, and if no rate be specified, the lender could collect 6% interest on the principal and no more. Advocates of the repeal of this law favored a return to the old laws of Kentucky on the subject, which fixed a legal rate of six per cent. and provided that, if a higher rate be charged to the borrower, all interest on the principal should be liable to forfeiture. These old laws, which are several times referred to, were never rigidly enforced. The main reason given for readopting them was an attempt to curb by legislative interference the high rates of interest then current. In 1871, eight, ten and twelve per cent. interest was not uncommon in Kentucky. The National Government was paying 7% on some of its indebtedness; in fact, all business was reaping the bad effects of a depreciated currency and a consequent excessive speculation.

C. M. Clay's speech on this subject was probably his first speech of length in public life.

by restriction and penalties. I believe that by allowing the laws of trade to work untrammelled by restrictions and penalties we shall reach the desired result. That is, I believe in the free trade principle, so far as the State of Kentucky is concerned, being applied to money as it is to other commodities and services. I claim that the law of supply and demand does in the main, in spite of legislative interference, control the actual rate; that it is right that it should; and that, whether right or wrong, the tendency of the free trade principle is to lower the actual rate of money. I claim that the only way in which usury laws affect the actual rate is as they affect the supply of money to be loaned or the demand, is as they affect the security or insecurity of the investment. I further claim that restriction has the tendency to diminish the supply comparatively with the demand; has the tendency to make the profits of the investment on account of the penalties of the usury laws more uncertain; and consequently, the only effect of usury laws is a tendency to raise the rate of interest in just the proportion that such laws are more stringent. And let me right here say that I am in favor of the abolition of all usury laws and that I only favor the present law in preference to an eight or six per cent. law, because I consider it a step in the present condition of public opinion on this question necessary to be taken before the free-trade principle can be carried out, and because I consider it as the nearest approach to that principle that is now practicable. First as to the justice of the free-trade principle. All trade is an exchange of services. I now lay down the principle that the loaning of money is a service rendered whose value arises in the same way and is controlled by the same laws as that of any other service rendered or commodity sold. The money-lender comes into the market offering to the public a valuable service, whose price is and must be regulated by the same laws as that of any other service—that is, by the law of supply and demand. When the supply of available money to be loaned

is small and the demand great, the rate will be high; and vice versa, when the demand is small and supply large, the rate will be low. Although it may not at first be apparent, still when we closely investigate, the loaning of money is a service rendered exactly on the same basis, so far as value is concerned, as all other services in the great domain of exchange. That a man should receive some compensation for loaning money is apparent. The money is his own property. He could use it to gratify his own tastes and desires, or he could use it in the field of production, and there realize a profit on his investment. In this last case it plays just as an important and necessary part as labor or brains. Now it is too evident for argument that if a man forego the gratification of his desires or forbear by the loaning of his money to realize the profit which a productive effort would yield, he is entitled to pay or to compensation for his forbearance. I further claim that the only and true criterion of the value of this service rendered is the price it obtains in the market; that when the amount of services to be rendered in this way is great and demand small, the rate will be low and vice versa.

As usury laws are founded on the fallacy that to take interest is wrong, and the greater the interest the greater the wrong, we will further illustrate the justice and equity of taking interest. There are a great many individuals of energy and determination who, without money, would be unable to carry on their business, but are enabled, by paying interest on money, to realize above and beyond the rate paid such a percentage as amply compensates them for their trouble, and which amounts to far more than their personal exertions unaided by capital could possibly command. To say that the capitalist does not do a service to these men is absurd.

No—the loaning of money is as much service to a man as labor or any other service, and the market will properly and justly discriminate in regard to the value of this service.

It is no more an accommodation to the capitalist than to the borrower, and vice versa. I ask what reason is there for the Government to come in and say you shall not make the best bargain you can for yourself; to say that you shall pay a certain per cent., and no more, whether the loanable value of money be low or high? It is a pernicious and harmful interference with the rights of the individual; it is a poor compliment to the intelligence of the individual that, in regard to all other commodities he may have free trade, but in regard to all money he is not capable to take care of his own interest, and must pay only a certain per cent.

The gentleman may say that the supply of money is limited, and consequently the rate might become excessively high. The uniformity of the supply especially fits it for its place as a medium of exchange and prevents a great scarcity or surplus, and consequently a great variation in its value. But even grant the premise of the gentleman; still, as the State of Kentucky cannot control the supply or demand, as it cannot increase the bulk of coin or of the currency, it is folly on its part to try to control and lower the rate by usury laws, since the tendency of such law is to increase the rate. I admit that it is very proper to have a legal rate in the absence of written agreement.

One moment now, to illustrate the justice of the free-trade principle and the statement that the law of supply and demand controls in the main the rate under all circumstances. As I have said before, if I can prove the policy and expediency of the free-trade principle, then I justify the nearest practicable approach to it. Now for examples: In England, where statesmanship is as enlightened and as free from demagogism as anywhere else in the world, Parliament has done away with usury laws, seeing their folly, and that they do not accomplish the end for which they were intended. Money is nowhere cheaper. Why? Because there the supply is greater compared with the demand than anywhere else. In Massachusetts the Legislature has done away

with usury laws, and the average loanable value of money there is cheaper than in any State of the Union. As we come West we find that the rate increases, be the usury laws what they may. In Kentucky and Ohio we find money worth 10 per cent.; in Illinois, 10 to 15; in Missouri and the far West, from 15 to 20 per cent. And why? Just because the supply compared with the demand diminishes. At no time in the history of the past do we find the rate of money higher than when the Jews were persecuted and imprisoned on account of usurious practices, when the whole principal was put in jeopardy if more than the legal rate was charged.

Any law that is wise and expedient must work well, being rigidly enforced.

The usury laws are never rigidly enforced, but let us see what would be the effect of a rigid enforcement of your six or eight per cent. usury laws. What would be the result in regard to the borrower? Here is a man without sufficient means to properly carry on his business. With capital he may clear 15 per cent. Is it right that he should not be allowed to borrow at above 6 per cent., when at that rate he cannot borrow a dollar, the surplus capital being sent to other markets? Is it right to cut this man out of this profit to which he should be entitled? Is it not a grievous wrong to him? But my opponents will say that men will borrow at too high a rate for their own good. This is against the natural law. Money will generally be borrowed at those rates at which it can be advantageously used, for otherwise the demand will be less, and consequently the rate will fall. This matter properly regulates itself. To illustrate: Take the extreme case where all the surplus capital in a community is held by a few capitalists. They have a monopoly of the money market. Say the borrower negotiates a loan at 8 per cent. He uses it in production or in some other way, and realizes only 7 per cent. on the capital invested. Now, as a matter of course, he and others whose venture

turned out the same way will forbear to borrow rather than lose or even not make sufficient money to pay them for their services over and above the cost of the capital used. Right here, then, the supply being the same, the demand becomes less and the rate will conform itself to the business of the community, for the capitalist will loan at a less rate rather than that a portion of his capital should lie idle.

Now, to illustrate the injustice of the usury laws, let us for a moment suppose the opposite case. The business man or manufacturer borrows at 8 per cent. Say he realizes 20 per cent., to make an extreme case. Would you say to this man, borrow your money at 6 per cent. or borrow none at all? For the rigid enforcement of your old usury laws would now amount to prohibition. He can afford probably to pay 10 per cent.; it may be even an accommodation for him to be enabled to borrow at that rate.

As I have said before, to say that a man shall not borrow unless he borrows at 6 per cent. or below is an injurious and pernicious interference of the State with the affairs of the individual, considered from the borrower's standpoint. To illustrate again: Here is an old man who cannot productively use his capital; here the young man who can, by his energy and business qualities, use this money to the best advantage and make a good profit. You fix your rate below the actual value of money. You thereby say to these parties, you shall not strike your own bargain. If you rigidly enforce your usury laws, you force the capital to be sent where it will command its full loanable value.

Recollect, gentlemen, I am arguing now on the supposition that the usury laws are rigidly enforced. Now, let us consider what would be the results of a rigid enforcement of your old usury laws on the general prosperity and material progress of your State. Your money would be used to develop the resources of other States. Your borrowers would be unable to negotiate the loans necessary to carry on business. Your enterprises would to a corresponding

extent languish and die. Your coal and iron mines and your manufactories, wherever credit was required in order to run them, would cease; the coal and iron mines to give up their rich treasures; the manufactories to yield the finished commodity. Capital, as fast as it accumulated, if it could not be employed by its actual owners in developing our physical resources, would leave the State to find more profitable investment. The capital that we need from other States in order to build our railroads and establish our manufactories would be excluded and kept away. But, gentlemen, usury laws are never, and never will, be generally enforced. They are only partially enforced. What are the effects of their partial enforcement? This one point should condemn them. The man who is disposed to act rascally gets the benefit, while the honest man always pays what he agrees to pay. The honest man not only pays the actual value of his money, but an additional amount to compensate the loaners for the repudiation by those less honest, or in other words they pay insurance to the capitalist on his profits. Before I go on with my argument in this direction, I will expose the fallacy upon which the governmental interference is founded. It was formerly supposed that governments could fix the value of money, and consequently its loanable value. By value of money I mean its general power of purchasing services or commodities.

I say that the proposition that governments can arbitrarily fix the value of money is fallacious; and also that they can fix its actual loanable value is an absurdity. For in each case the value, as all values do, varies by the law of supply and demand at the particular time. Governments can fix the denominations of money as they can fix the number of pounds in a bushel of rye, but they can no more control the absolute value in one case than they can in the other. I use value in the true sense of purchasing power.

That even gold and silver vary in value, though less than other things on account of durability and uniformity

of supply, many historical facts substantiate. Thus, 300 years ago, it is calculated these metals were worth from 3 to 5 times their present value. Considerable variations in their value took place when Europeans first conquered Mexico and South America. It is calculated that silver then depreciated in the ratio of 3 to 1. Again, when California first threw into the gold market a large amount of that precious metal and gave reasonable expectation of a much greater supply, gold depreciated considerably. That governments cannot make money and fix its value, abundant facts show. The Continental money had on the five-dollar bill the government stamp for five dollars; still in a short time, because in spite of the governmental decree such money was not worth more, it took five thousand of such dollars to buy five dollars in gold. The Government of the United States alloys its coin, and what is its effect? The moment we trade with an Englishman, the moment we go outside of the field of exchanges made in our depreciated coin—for just as we alloy we depreciate—the moment we trade, as I said before, with an Englishman, he discounts our coin just in proportion to the alloy; and so on we might multiply instances indefinitely. What we wish to show is that legislation cannot directly make or alter values. One illustration now to show that the slightest differences of real value will show themselves in spite of legislation. In 1792, in our coinage, we made our gold worth just fifteen times as much as our silver. What was the effect? That gold rapidly went out of circulation on account of over-valuation of silver by law. To correct this and again put gold in circulation, Congress made the proportion 1 to 16, but this over-valued gold, and silver rapidly was exported. To keep both metals in circulation, it was finally determined to debase the silver coin and make it legal tender for amounts no greater than five dollars. This illustration forcibly shows the potency of the natural laws that control value in spite of legislation. You find that even gold and silver, which God seemed expressly to have

made for money on account of their durability and uniformity of supply, do vary and assert their value in spite of legislation.

Now that we have shown that the absolute value of gold and silver do vary in spite of legislation, there can be no basis on which to found usury laws. For we have already shown in theory and practice that the actual rate should and does vary according to the law of supply and demand and compensation.

Let us now have a few words in relation to the message of Governor Wise,² which is so much relied upon by the advocates of repeal. And let me remark that I never saw so many fallacies in such a short space. It would take too long a time to pick up each fallacious statement and answer it in detail, so I will only expose the main fallacy, upon which the others depend. Money is not only a relative, for I have shown it is not an absolute standard of value, but also a medium of exchange. It is not only the measure, but the thing measured. Your yardstick is but a measure, and, after you ascertain the number of yards in your cloth, its uses are ended, and you pay for your cloth with your medium of exchange. If money was only a measure of value, as a yardstick is, and not a medium of exchange—that is, if you only estimated, by means of the denominations of money, the value between the commodities to be exchanged—much that Wise says might be true. But even yardsticks have value for the particular purposes for which they are used, and that value is controlled by the supply and demand for yardsticks.

Money is not only a comparative standard of value, but a medium of exchange. It has two functions: one to ascertain the amount due, the other to satisfy the debt owed. Not only do you estimate you owe the merchant for his cloth with money, but with it as medium of exchange or as a generalized service you pay him for it. He sells to you

² Henry A. Wise, Governor of Virginia, 1856-1860.

the cloth for the money; you sell to him the money for the cloth. It is a clear case of value. The service rendered is mutual—the value of each is estimated in the other, and by law you can control neither one nor the other. Wise falls into the same fallacy as many others who have not carefully and accurately studied the fundamental principles of political economy. He considers actual value to pertain only to commodities, whereas value is the relation between services. The lawyer is as much entitled to compensation for services as the farmer for produce. Again, value does not depend upon labor, for if a person finds on his grounds a magnificent diamond that has lain where found since creation, does the fact that it cost no labor in the least diminish its value? No. Why does that diamond have value? Because the person who has it in his possession is in a position to do a service to the community. And what fixes the value of that service? The market, the law of supply and demand. Now the moment value arises in money, it matters not on what account, whether the Government has given it special privileges or not, from the fact that it can do anybody any service, that value is determined by what the public will give for that service. This reasoning applies still stronger to the rate. But to make the case still stronger, grant that Wise is right in his reasoning. He thinks that the rate should be low, in the interest of borrowers. I claim I have the same interest at heart. As the State of Kentucky cannot affect favorably the supply, for it cannot make legal tenders, diminish the risk or control the demand, it cannot reduce the rate fixed by the free-trade principle. In reality, as I have shown and will further show, usury laws have the tendency to increase the rate. So that even under this consideration of the question he would be mistaken as to the means by which his objects are to be obtained.

Wise claims that money has many advantages over many things, and therefore its rate should be controlled by law. Grant that it has many advantages, and what does it prove?

Advantages, whether given by law or nature, have to be paid for by the person who buys the commodity. Here is a horse faster and finer than any other horse about. Is this any reason why his price should be limited by law? The man who in the first place purchased the horse had, in all probability, to pay for these advantages; and so in regard to money. The man who buys money (for money must be bought like other things) pays for the advantages that money may have over other things. The law of compensation is just as potent here as elsewhere. I will not detain the House longer with this document of the Governor's.

I will come now to the elaboration of the point that free-trade is evidently in favor of the borrower, although the opposite idea certainly dictated the usury laws. Your money is kept at home. There being no risk, the capitalist can afford to lend at a less rate of interest. Your money staying at home, the supply becomes greater compared with the demand, and consequently the rate less. Again, if the rate be higher than elsewhere, money is brought into the State, and this has a tendency to reduce the rate. I here overthrow the fallacy upon which the usury laws are based; for their advocates assume that the real rate will be whatever the Government fixes as the legal rate. The legal and actual rate have no logical connection, unless we might say the more stringent the usury laws, other things being equal, the greater the actual rate. Gentlemen will say that our old usury laws drove no money out of the State. I know very little about the private business of individuals, but I have been told by two responsible parties that two individuals in my county, who loaned a very large amount out of the State, upon the passage of the law brought it back and loaned it at home. Gentlemen say that they know of no money that the present law has brought into the State. I am informed by a bank officer that one insurance company brought into the State and loaned out upon the passage of the law \$350,000.

Gentlemen say that they never heard of much money being sent out of the State on account of usury laws. Re-adopt your old six per cent. law, and let it be rigidly enforced, and I can assure these gentlemen that they will have the exhibition that to them is so novel. The true reason why not more money was sent out of the State was that your old usury laws were never rigidly enforced. This, and this alone, was the reason.

Experience demonstrates the truth of the conclusion at which a logical consideration of this subject enforces us to arrive. Almost every country has had at one time or another stringent usury laws, but the progress of liberality and enlightenment, and a more just appreciation of God's laws to regulate well and wisely the field of exchange without injustice to any class, have removed to a considerable extent, or altogether, the restrictions of usury laws. We are getting more and more alive to the fact that man's interference by legislation in these questions is more apt to work injustice than justice; that we in our folly encourage by this legislation the very result we would avoid.

Now for a few minutes to answer two objections made by the advocates of the repeal: That the passage of the ten per cent. law raised the rate in Kentucky; that it has depreciated the value of our lands. First, that it has raised the rate. I believe if the law had not passed the rate would now be higher. Any person with any knowledge of the laws of political economy could expect no less. I claim that the law of supply and demand in the main controls the rate. What do we see in regard to the actual supply and demand? In the first place, in regard to the supply, the currency, instead of being inflated, has been contracted. Gold and silver are not in circulation—one of the necessary evils of an irredeemable currency. On the other hand, the demand has increased tremendously. During the last three years there has been great progress in railroad matters. Great amounts have been borrowed for railroad construction.

The Chesapeake and Ohio, the Louisville and Nashville, etc., have been heavy borrowers in the market.

Mining has taken a fresh impetus. Furnaces and forges have been erected all along up the Ohio River; and so on in other departments of business.

Again. We are reaping the penalties of an undue and excessive speculation, which was stimulated and brought into life by the superabundance of an irredeemable and depreciated currency. That currency has been contracted and appreciated as compared with gold—and the debts incurred, if unpaid, now represent in our present currency much more in value than they did when incurred; or, in other words, products and commodities from this cause have shrunk in value as compared with these debts, so that men are unable to pay them. All these causes have increased the demand for money. What is the inevitable result of these facts? That the rate should be higher, although the tendency of the ten per cent. law itself was to lower the rate.

Let me illustrate the workings of usury laws in this and other cases.

Suppose the State of Kentucky should pass a law that wheat should not sell at over fifty cents a bushel; and if a person sold at over fifty cents a bushel he should forfeit the surplus to the purchaser. Suppose that wheat is worth \$1 in Cincinnati. What would be the effect of the law? Either that no wheat would be sold at home and all sent to Cincinnati, or else, if wheat was sold at home, which would be the case if wheat was needed, it would be sold at the Cincinnati price, minus the freight, plus an additional percentage to compensate the seller for the risk he ran that the purchaser would come back upon him for the surplus over fifty cents. And, again, if not as much wheat was produced in Kentucky as needed, this law would have the tendency to diminish the supply by throwing obstacles in the way of its importation, and consequently would increase the price. Suppose, furthermore, an enlightened Legislature, seeing the

folly of such a law, should repeal it. Or suppose, to make an analogous case, immediately after the passage of the law, the price of wheat in Cincinnati, on account of a short crop, should rise to \$1.50, and have the tendency to reduce the price at home, still wheat would go up to the Cincinnati price, minus freight, if more wheat was made in Kentucky than consumed, and vice versa to the Cincinnati price plus freight. This illustrates the working of the interest law and the present state of the money market.

Now, gentlemen, one word of advice how to reduce the rate of interest. We must curb the wild and reckless speculative spirit of the present time and do business on a safer and more secure basis. Less money must be borrowed. A few words in regard to the depreciation of land. Gentlemen say the ten per cent. law has depreciated the value of our lands. I admit land has depreciated, but not so much as some suppose, because the currency as compared with the gold has considerably appreciated. Grant the premise and what are the causes of its depreciation? But before I give my causes, I will state that lands in other surrounding States have depreciated as much, or more, than they have in Kentucky. I know of a farm in Illinois, to take an instance, that cannot now be sold for much over half what it could five years ago. In western Virginia lands that five years ago actually sold for over one hundred dollars can now hardly find a purchaser at any price. Let me ask the advocates of the repeal to explain the still greater depreciation of land in other States where the interest laws have not been molested. But to return. What are the real causes of this depreciation? First, the farm products have diminished in value. Our cattle market in Bourbon is entirely controlled by the New York market, outside the influence of our laws; our grain and hog market by the Cincinnati market, also outside; our mule market by the Southern and Eastern market, also outside the influence of our laws; our other products are fed to one or the other of the above classes of live

stock. So you see our profits are not affected by the ten per cent. law; but, nevertheless, our profits have diminished in value, and as a matter of course this, to a certain extent, has depreciated the value of land.

Again, the railroad progress in the West has brought a great many cheap lands, just as rich as ours, just or nearly as accessible to market, in close competition with us. Again, the unreliability of our labor has made irksome and disagreeable the business of farming. The effect of this is to throw a great many lands into the market. The supply of lands to be sold increasing and the demand diminishing, the price has depreciated. These and other causes have produced the depreciation in the value of lands.

Many of the causes are the same that caused land to depreciate 50 per cent. in less than twelve months during the stringent times following the panic of 1847. One of the principal causes of the panic was the rapid conversion of the currency in the loan market into fixed capital by an almost unprecedented progress in railroad construction.

Now, permit a brief recapitulation of the points made. Money loaned is a service rendered, whose value, like the value of all other services, is and always will be controlled by the law of supply and demand and compensation. It is a service whose value varies with the hour as does the value of any other commodity. It is just as proper for the State to say that hogs and cattle shall sell at a certain price. Some one will say that money is a necessity for men to have, and consequently in its rate should be controlled by law. Grant the necessity and this is the very reason why your usury laws are of no avail. Men will have money, and in order to get it, have to pay its value and more than full value, on account of the risk that usury laws produce.

If my opponent says money is a standard of value, and that governments can fix its absolute and loanable value, I answer, granting the proposition for sake of argument, that anyway the State of Kentucky cannot fix an absolute value;

but, however, I deny the truth of the proposition. For money, though an imperfect standard of value, which I will not elaborate here, and which you will find elaborated in all books on the subject of recent date, is also a medium of exchange. As a standard of value, money has no more value than yardsticks—the cost of making—but as a medium of exchange it has, and that value is controlled by the law of supply and demand. Governments can fix the denominations of money, as they can the number of pounds in a bushel of wheat, but they can no more fix its value than they can that of the bushels of wheat. It is not only the bushel measure, but also the bushel of wheat.

I admit money varies in value less than other things, but this is on account of the uniformity of supply. Now, again, the loanable rate is also controlled at any particular time by the law of supply and demand. Therefore usury laws that make the legal rate very low, and which may work little or no injustice when the loanable rate is very low, when the loanable rate is high work great injustice. So the only way in which the six per cent. limit can be justified is by a state of affairs that keeps the actual rate continually below the limit fixed in the law, so that the law would practically give free trade.

Further, in the way of recapitulation, I claim that usury laws are against the interest of the borrower; for, if the law be rigidly enforced, money is sent to where it can be more profitably used or is put to other uses, and consequently the wants of the borrower cannot be satisfied at the legal rate. What general effects would the rigid enforcement of your old six per cent. usury laws bring about? Would your borrowers be benefitted? Would your manufactories be extended? Would your internal improvements go on with a greater impetus? Would more railroads be built? Would your coal and iron mines be as rapidly developed? Your accumulated capital in the hands of capitalists would be loaned in those markets where it would command its full

loanable value. Your money would command its full loanable value. Your money would be used in developing the resources of other States, in building their railroads, their canals, their furnaces and manufacturing establishments.

No foreign capital would find its way into your State for investment so long as your fixed rate was below the actual rate. Your young business men would be unable, so long as your usury laws were enforced, to get the necessary capital to carry on their business or open up new enterprises, and at the same time would be deprived of the profits to which they would be justly entitled. Now, if on the other hand, as is always the case, the law be partially enforced, the honest man not only pays the fair value of his money, but an additional percentage to compensate for the average risk and diminished supply; whereas, the dishonest man gets the full benefit of the laws as a premium on his dishonesty and breach of faith.

We further claim that usury laws infringe on the rights of property and the right of the individual to make as good a bargain for himself as he can. Usury laws take for granted that a man is not the best judge of his own interest, a fallacy exploded by time and experience.

My argument is done, and by the argument I am willing that this bill should live or die. I am convinced that against me are all the prejudices of the medieval past and the demagogism of the present. I do not mean to assert that there are not on this floor many honest, conscientious advocates of the bill under discussion. With me is the enlightenment of the nineteenth century. Against me are those who think they can fix and make the value by legislation, and who have thus solved the problem of national prosperity; for if they can make money worth six per cent., they can make it worth a thousand; and if they can make an ounce of gold worth a dollar, they can make it worth a million. All reforms are attended with difficulties, but I am thoroughly convinced that I am right in this matter, and now warn you that your bill

will not bring about the results you desire. In reality, it will have the opposite tendency. Restrictions on trade are always attended with bad results. The wiser we become the more fully we acknowledge and appreciate the adequacy of nature's laws to give justice to all, the strong and the weak alike—and that it is only the interference of man in the field of commerce that gives rise to oppression and wrong.

“As the harmony and beauty of the celestial system is finally found to result from the most simple laws, so, as men become wiser, they more fully see and appreciate the adequacy of the natural laws to well and wisely control and regulate the productive energy of the country, and to give to internal trade and foreign commerce that harmony and beauty whose moral results are justice and equality to all, and whose physical results are material development and progress. As we grow more cognizant of the physical and mental phenomena around us, we more and more acknowledge the power of the All-seeing Providence to do all things well; the more and more are we forced to condemn the officious and improper meddling of governments with the laws of trade, upon which depend alone a nation's prosperity and happiness.”

THE ELECTORAL BILL AGITATION.

From the True Kentuckian, Paris, Sept. 5, 1877.

We would think the Electoral Commission Bill an issue of the past, at least inside the Democratic party, if certain politicians, who opposed that scheme of Arbitration, were not now using in their public speeches and otherwise their opposition to it as a means of making political capital for themselves at the expense of those who differed from them. We would not now care to say anything in reference to this subject, were not the efforts of these gentlemen (they well knowing that extreme and sensational views take well in a community in which a strong partisan majority exists) adding fuel to the flames of the strong partisan spirit which is, and has ever been, one of the principal dangers threatening the perpetuity of institutions. As it is, we think it not inappropriate to say a few words with reference to this subject. We shall speak from a Democratic standpoint, but let us hope at the same time from a patriotic one.

What was the situation of affairs when the Electoral Commission bill was brought into shape by the joint committee of the two Houses of Congress? The "*prima facie*" case, if not against us, was at least in doubt. There was no statute law to settle a contested Presidential election. The clause of the Constitution in regard to counting the vote was vague and indefinite, leaving it in some doubt whether that power resided in the President of the Senate or in Congress; and if in Congress, whether the power to throw out the vote of a State existed; and if it did exist, whether either branch could use such power at will; whether it was necessary that joint action should be had; and if joint action was imperative,

whether through the action of the two houses as a joint assembly or simply as acting concurrently.

It is true that the twenty-second joint rule had been in force, but this rule had been repudiated by the Senate,¹ only five Democratic Senators (we think) holding that it was not repealed. It would have been improper and dangerous for a Democratic House at such a critical state of affairs, to have insisted upon a rule repudiated by their party in the Senate. Many dangerous and distracting rumors as to what would be the action of the President of the Senate in counting the vote and declaring the result were afloat throughout the country. On the other hand, Republicans were led to believe that the Democrats intended to install Tilden by force. The country was alive with indignation meetings. In fine, the passions of both parties were aroused to the highest pitch of excitement. Having briefly stated the situation, we now ask what was the duty of a patriotic representative or statesman under such circumstances? And first let us speak of one thing that more than all else, we think, threatens danger to our Republic. It is the spirit of disregard for law (we speak of law both in its statutory and constitutional sense) and a want of respect and reverence for the authority of the law and legal methods.

With us, if we would preserve our institutions, the law must be king; and all the loyalty which in other countries clusters around Kings and Emperors must be faithfully given to the law. This is the only way (and the true student of the history of Republics knows this well) in which our institutions can be kept stable and at the same time progressing. All the conservative forces of intelligence and morality which are necessary to our salvation must work in this channel, or else chaos and anarchy await us. As a corollary to this

¹"By a joint rule, adopted in February, 1865, by the two Houses, preliminary to counting the electoral votes cast at the Presidential election of 1864, it was directed that 'no electoral vote objected to shall be counted except by the concurrent votes of the two Houses.' This rule necessarily expired with the Congress which adopted it, but it was observed as a regulation (no one raising a question against it) in counting the electoral votes of 1868 and 1872."—Blaine, Twenty Years in Congress.

proposition, the wild spirit of party must be curbed and restrained to a strict observance of the law and legal methods. Now, the patriotic Representative knew that there was no perfectly legal method for the satisfactory adjustment of the peculiar phase that the Presidential question had assumed, therefore it was his duty to use his best endeavors for the supplying of this void in the laws by a legal enactment of as fair and as just a character as possible under the circumstances. This was done; and the better elements of society, before the final judgment of the Commission, and before prejudice was excited by the bias of disappointed individuals, approved the law passed as the best possible scheme of adjustment; dread and apprehension were everywhere changed into relief and satisfaction. As it happened that Hayes, Republican, was declared elected by the operation of this bill, some radical Democrats find this a most fortunate time in their speeches to the people to make their opposition to this bill seem an act of great virtue, courage, wisdom and especial foresight; and all this, to the disadvantage of the men who in the passage of this bill stood nobly by their country in spite of party clamor; and all this, having for its accomplishment, if not its intention, the making of a still more bitter and rancorous sectional and partisan spirit, which spirit already is the disgust of all educated and philosophical foreigners who study our institutions. These men denounce the bill as unconstitutional, as cowardly and as a fraud. We shall notice but two or three of their principal objections, for our space will not further permit.

Firstly, we will not argue this question with them, for what we should say would be only a repetition of what has already been so much better said by others. We shall only refer them to the arguments in the Senate and House of those greatest legal luminaries of both parties—Bayard, Thurman and others on the part of Democrats; Edmunds, Conkling, Hoar and others on the part of the Republicans. The opinions of these great legal minds, unopposed by a

single one of great note on the other side, will always be conclusive with the intelligent American public, regardless of what local politicians may say of the constitutionality of the law.

Again, among other objections (from a partisan standpoint) to this bill, it is said that if the bill had not passed, Tilden would have been inaugurated. They explain it in this way—had the House refused to agree to any announcement by the Senate and its President of the election of Hayes, or had such announcement been impossible from a division of opinion in the Senate itself; then, there being no election legally announced, the House would have had the constitutional right to elect. What a perversion of the constitution! In 369 electoral votes, none being thrown out and there being only two candidates, one or the other in constitutional sense necessarily had a majority of such votes. The constitution only allows an election by the House when it is ascertained that “no person have such majority.” As long as there was no vote legally thrown out, and there was in fine no legal ascertainment that neither of the candidates had a majority of all votes cast (which ascertainment under the circumstances was impossible), so long the House had no right to elect.

Again, and we will notice but one more point for otherwise it will make our article too long, these objectors say: if Tilden had only been firm and had publicly announced that he had been elected and would take his seat, he would have been peaceably installed in office. It were many times better for the country that Hayes should have gone into office peaceably and under the strict operation of law, than that Tilden should in either the absence or disregard of law, however much we Democrats might prefer a Democratic administration, occupy the presidential chair. Let us love our party, but let us love it as a chosen instrument to do good to our country. Let us know that all our rights of life, liberty and property have for their only barrier against the powers

of communism, anarchy and confusion the force and authority of the law—these let us not weaken, but strengthen. However much we condemn the judgment of the Electoral Commission—and we do believe that judgment unjust and wrong—still we will ever hold that day on which the bill became a law one of the proudest days of the Republic. It was a day bespeaking a long continuance of our institutions in a stable and liberty-giving form. It showed, when in the midst of an unexampled partisan feeling, when the body politic was in the throes of one of the greatest convulsions, which in all probability Providence has in store for it, that our American politician when brought to the test had sufficient sense and moral courage to lay aside that bitter partisan spirit, which all well informed men know is the bane of the Republic, on the altar of patriotism.

The Democratic politicians who voted for the bill, in doing their country good, conferred a benefit on their party. The Democratic party could not have afforded to have refused the Electoral bill, and they could not have afforded, even if it could have been done peaceably, which we do not grant, to have put Tilden in office in disregard of legal methods and in antagonism to the law-loving spirit of the country. The reaction would have come and the party showing itself indifferent or disloyal to the law would have been hurled from power as unfit to rule the destinies of this great Republic to whose maintenance all the forces of wealth, intelligence, liberty and morality in self-preservation are pledged.

EXTRACTS FROM RAILROAD ARTICLES.

I. ON PUBLIC AID OF LOCAL COMPANIES.¹

Many of our party cling to the old Democratic belief that taxes should only be levied for governmental purposes, a doctrine which finds considerable strength from an analysis of the purposes for which, in theory at least, individuals associate themselves together as States. In state of nature before government was constituted, if such state ever existed, every man, in theory at least, was independent as nations are now. To make government possible concession was necessary. For the protection afforded by the government, the right to taxation and infliction of punishment was granted to the government. It was necessary for the individual to have such protection as to promote his general welfare; but it was also necessary that certain individual rights be given up; and further, in our form of government, it was agreed that the majority was to control. It all may be considered a contract between the government and individuals. But the majority by this arrangement has only the right to rule when the object comes within the view of the original agreement. Hence, it might be deduced that only for governmental purposes for which we are associated together as a nation, the majority has the right to control. As a collateral idea to strengthen this view of the question, we would say there certainly must be some limit to the power of the majority or else universal suffrage would be the greatest despotism to which time has even given birth. * * *

¹ This and the following series of extracts are taken from discussions of various local railroad projects, presented for approval to the people of Bourbon County during the years 1870-85; viz.: The Union Railroad, Paris, Georgetown & Frankfort, etc. The few passages in this book have been chosen with the view of illustrating as connectedly as possible the two chief principles involved.

Nearly all the states, I believe, where the railroad system has been in a reasonable degree extended, have constitutionally prohibited public railroad subscription.² * * *

The motive that (in the main) influenced our Legislature in the first place, and for years after, to allow counties by popular vote to subscribe aid to railroads, was the feeling and the fact that only in that way could they be built. It was not alone from reason of the public advantage being promoted, for manufactories, foundries, shops and stores are of advantage to the public by furnishing by their competition their products and wares at cheaper rates; but it was from the fact that private capital was inadequate, in the case of the railroad, to the magnitude of the undertaking, while in the case of factories, etc., private capital was considered ample and able. In other words, in the past, what justified and excused popular aid to railroads by majority vote, was the absolute necessity of such aid for the building of even the most paying and needed roads.

It is a principle well understood and recognized that a popular vote even in regard to matters of governmental domain is not the safest custodian of financial interests. Much more objectional is it as the arbiter of expenditure in regard to matters that go beyond governmental control and which are of doubtful principle and constitutionality. The necessity of popular subscription to railroads by majority vote has passed away. The country has come to that state of wealth, accumulated capital, low rates of interest, and business skill in every department, that railroads are everywhere being built by private and corporate enterprise. The necessity for popular aid having passed away, why should not also the measures or principles that spring from it pass away? Is it to be held that we should forever cling to all the bad precedents of the past simply because they are precedents?

With equal reason it could be claimed that the war meas-

² Written about 1885. Under the old laws of the State, Counties could, at the discretion of the Court, by a majority vote, levy taxes to promote railroad construction. This was done away with in 1891 in the new Constitution of that year.

ures and the unconstitutional executive interference in the South immediately after the war should now be continued, although the necessity that then justified or excused them has passed away forever. Let us rather vote down this proposition. Let us act in a spirit consistent with the growing sentiment of the country, with the best intelligence of the State, and in fine with the true theory of our government. * * *

Our system of government is political and organized for political or governmental purposes, and it was never intended by its founders to engage in general business. This was left for the province of individuals. * * *

II. ON LIMITING RAILROADS TO RAILROAD BUSINESS.¹

As the railroad party has made all the speeches and done nearly all the electioneering, it is but proper that the other side should be heard. In publicity and discussion, if carried on in a proper spirit, there can only be good. Truth comes out stronger by conflict, and error, in proportion to the thoroughness of the discussion, is eliminated. * * *

It is a very vicious system to allow a railroad (especially a coal and lumber road) to own coal and lumber lands; for it will in some way or other prevent that free competition that is necessary to furnish these articles at lowest price to the consumer. * * *

I have an instance in mind—that applies to other articles equally as well as coal—of how just such a railroad enterprise as these gentlemen propose, turned out in regard to this point of which I speak. In the Legislature of 1872-1873 there was a railroad bill proposed by the member from Hopkins County, which originated from the following condition of affairs. The county of Hopkins and other counties had subscribed to build a railroad to the nearest coal fields. The

¹ Written some twenty years before Federal action on this subject.

railroad owned coal lands as in our case, and so far as I can recollect there was the greatest similarity with this present project. The road was built and run. The member from Hopkins—he so informed us—had a coal mine upon this road, but still he was compelled to buy every bushel of coal which he used at home at an exorbitant rate. The company always managed to have only cars for their own coal and never enough to carry other people's coal. The bill, if I recall rightly, proposed to compel the company to furnish locomotive power to carry cars that individuals and firms at their own cost might place on the track. I do not recollect the fate of the bill; but I use this instance to show how vicious it is in principle to allow a coal and lumber road to go into coal and lumber business, particularly when said road, as is proposed in the present case, is built wholly or in part by the public subscription, and consequently for the public good and not private gain.

The most enlightened Legislatures of the present day, profiting by experience, have followed the principle that an incorporated company shall confine itself to one business—railroads to railroading—banks to banking—mining companies to mining, etc. Corporations, since they are granted privileges that individuals do not possess, to prevent an abuse of their power, and for the protection of the public for whose convenience and profit they are in great measure created, are properly put under such restrictions as do not apply to individuals. This policy is a bulwark for the protection of the people from the dangers that arise from aggregated capital working through great corporations. It is particularly important in regard to railroads; for this form of corporate power seems inclined to grow from small beginnings to an overshadowing and baleful prominence in our state and national politics. * * *

FROM THE RECORD OF THE CONSTITUTIONAL CONVENTION.

I. ACCEPTING THE PRESIDENCY OF THE CONVENTION, THE CAPITOL, FRANKFORT, SEPTEMBER 8, 1890.

Gentlemen of the Convention:

I am profoundly affected by my election, and most cordially and gratefully appreciate it. Especially is my appreciation of it enhanced by the fact that you preferred me over such worthy and distinguished competitors. But, to be candid, I think you preferred me not on account of my own personal merit, but because you felt that in me you found, along with other candidates, one who was in thorough sympathy with the wants and needs of the great mass of the people, an exponent and representative of them in their just and reasonable demand for proper protection against any consolidation of power which might unduly threaten their welfare and happiness. And this feeling, which neither tolerates communism, agrarianism, nor the least impairment of the rights of property on the one hand, nor the unlimited and despotic control of great public agencies on the other, simply demands in the spirit of American liberty equal rights and protection to all. To your wisdom is confided the duty of drawing the line of prudence and safety; and in drawing that line let us remember that the adequate protection of the individual in his rights of life, liberty and property, not only conduces in the highest degree to the prosperity and welfare of society, but is the best and most permanent foundation for material prosperity and progress. We have met to perform a most important duty—a more important duty I cannot well

imagine—and let us give to that task the very best efforts of our intellects and hearts.

Our present constitution was adopted forty years ago. Since that time wonderful changes have taken place. In looking over those forty years we find them crowded with great events, which shook the nation to its center, and we find an era of physical and material development that has eclipsed all the preceding centuries. Then the railroad and telegraph systems were pigmies; now they are giants, bringing into association all the people in the closest sort of contact. Since then every conceivable implement of machinery to aid production, transportation and manufacture has been invented. The useful system of life insurance, and many other contrivances to ameliorate the condition of society and make more prosperous and happy the lot of mankind, have been originated and developed. In fine, the brain of our people, stimulated by training and education, has in every department achieved the grandest triumphs.

The question for us to determine is this: What new adjustments in the organic law are required by these changed conditions that we see around us? While the principles of liberty in their essence do not change, still it is necessary, as society develops, as new conditions arise, that there should be adaptation to these conditions. Now, I imagine that among the changes demanded are, first, those to adequately and fully protect the individual in his rights of life, liberty and property; then, those changes which are required in the processes of government in order to save expense, that your government may be more convenient to you, that your prosperity may be promoted, and that the execution of the law may be more evenly and speedily procured.

But I will not go into details to tell you what your wisdom and experience at the proper time will more wisely determine. I imagine that various prohibitions will be imposed upon the power of the Legislature; that better and simpler arrangements of the courts will be made; that the

purity of elections will be better secured. Our mode of revision by Constitutional Convention, making a revolution in the Constitution possible, is certainly not as wise and philosophical a change in the mode of revision by which, while we give stability to the organic law, the Constitution will be allowed to grow according to the wants and necessities of the people.

But in all these things, no doubt, your wisdom and experience will much better decide than I could indicate. Let us always remember, though, in changing this Constitution that it represents the centuries of the best efforts of noble and patriotic minds to secure society and liberty from communism on the one hand and from despotism on the other; and let us not discard needlessly any of those time-honored guarantees and provisions; and let us remember all the time that we are representatives and the servants of the people; that to them we owe an undivided allegiance; that to them we owe the very best efforts of our minds and hearts. And may the blessing of God attend our work.

Again, gentlemen, thanking you for this distinction, I appeal to you for your aid and forbearance while conducting the proceedings of this Convention. I will now allow the Convention to proceed to business.

II. ON THE REVISION CLAUSE.¹

I paired with the Delegate from Boone on yesterday; and as he has spoken on this matter, I think it is proper and right to keep up my pair, and I will say something on the other side. Times change, and we change with them. Buckle has said that statesmanship consists in a wise expediency; that the future can much better, knowing its wants and needs, provide for itself than we can by anticipation. Some man

¹ Delivered during the debate on this question March 31, 1891.

has said that the dictionary of a Nation gave its history—commercial, social and political. That can be said much more truly of the laws of a nation—the organic, statutory laws. As a matter of course, the organic laws do not change as much as the statutory laws, and should not; but still, as society develops, new dangers arise, and there is a necessity for new Constitutional provisions to properly protect the rights of the people and restrain and regulate the growing or originating dangers. My political philosophy is, that what is good for one era does not necessarily apply or prove good for another era. As society evolves, and its conditions change, its laws must change. As a matter of course, the organic laws are not changed so much as the statutory, but still even they must necessarily be modified or enlarged as time progresses.

The Constitution is to protect the rights and liberties of the people, and whenever new conditions arise, by which these rights and liberties are affected, we should be in position to change our laws accordingly. In this Constitution we have put many new things. The gentleman from Scott asked for a bill of particulars; and I tell him that neither he nor any living man can give a bill of particulars, but that time and experience alone can give such a bill. The philosophical way is for laws or Constitutions to grow slowly, and gradually to adapt themselves to the varying wants and needs of the community. Society grows and develops slowly. The animal creations develop slowly. Mechanical ingenuity gradually evolves new productions; and you ought to provide means by which your Constitution may show some capacity for growth and development. How can you do that except by an open clause, allowing fair chance for reasonable amendment? Give your people an open clause, by which they can adapt their Constitution to suit their growing and evolving wants, needs and necessities. That is the only true way of development. Now, I have been over this State a good deal; and everywhere there is an apprehension that we have put into this Constitution a great many experiments;

and I find everywhere a public opinion that, unless we give the people the power to save themselves from such experiments as may not prove wise and prudent, they will reject this instrument.

We have embodied many new provisions, and we will never have them accepted by the people, and should not, unless at the same time we give them a reasonably open clause by which, as experience shows and necessity dictates, they will have the power to correct evils and mistakes, either by subtraction or addition. They demand it of you. When the spirit of liberty dies out among the people, the forms of law amount to nothing. You may build up the restrictions, thinking that you have the wisdom of all ages to come, and thinking in that way that you can protect the liberties of the people; but you cannot do it. The forms of law amount to nothing, when the vigilance of the people has died out, when the spirit of liberty has died out. Do not distrust the people. They are going to take care of their rights and liberties. I am not for an open clause which makes it too easy, but for such a clause as will enable the people to adjust their Constitution to the evolving wants and necessities of the future. I tell you, upon the open clause depends the fate—I do not utter it as a threat—of this Constitution. If you give the people a Constitution, which, we admit, may have a great many mistakes and experiments in it, but at the same time give them the power and let them feel that they have the power to control, shape and mould it according to such exigencies as may arise, I am confident they will correct it by means of that power; but if you do not give that power to them, they will vote down the Constitution by a large majority.

III. ON ELECTION *vs.* APPOINTMENT OF RAILROAD COMMISSIONERS.¹

I want to say a few words in a conversational way. * * * Gentlemen who have observed the struggle made by the friends, as I call them, of the people in the State of Kentucky for railroad regulation, know that I have been in the fight for six years,¹ and that I have done my best, whatever that may be, to properly regulate this great and growing power in behalf of the people, in order that the people should not be oppressed, in order that discriminations and exactions should not be placed upon them, which may amount to far more in some instances than State and national taxation combined.

I consider this the most important question in our State politics. Yes, I repeat, I consider this question, as to the proper regulation of railroads, as the great question of to-day in our State politics; and I consider it the far greater problem of the future. The thing that most astonishes me in our civilization is the rapid growth and concentration of wealth in every department of business. We are a wonderful people, and live in a wonderful age; but the most surprising thing is this tendency of wealth to aggregate and accumulate power, and consolidate and destroy competition, and prevent the ordinary man from making a decent livelihood; and the particular phase of that concentration that most affects the individual citizen is railroad consolidation. If the railroads be unregulated—and they have been but insufficiently regulated heretofore—if they are allowed to discriminate as be-

¹ C. M. Clay's aggressive fight against the railroad interest and its illegal influence in State politics was the chief feature of his term in the State Senate 1885-88, and, in fact, a feature of his whole legislative career. In a statement issued during the campaign for the nomination for Governor in 1895, he says: "To-day, justly or unjustly, no interest, in the average, is more opposed to my election than that of the railroads. No interest more antagonized my election to the Presidency of the Constitutional Convention." As further illustrative of this position it is said in a separate card: "The greatest fight of my legislative career was one in the interest of the people, and especially the laboring classes, in trying, to the best of my judgment—for honest and conscientious men will differ as to the manner—to prevent discriminations by railroads against our citizens and town. * * * I defy any man to show that in all my legislative career I ever yet prostituted my official trust to further personal gain or profit."

tween individuals, they can give a monopoly at any point to one man or to one firm, or to two or three firms. If they are allowed to discriminate as between localities, which they have been allowed to do, they can build up one community, and absolutely ruin another. They can depreciate the values of land in some counties ten or fifteen dollars an acre. They can put upon any people greater exactions and greater hardships than the tariff and the State taxation combined, for the whisky tax finally goes on the consumer.²

On this account I consider the regulation of this vast power, by which the principles of republican liberty shall be preserved so that the private citizen shall enjoy decent comforts and luxuries, and in fine have a right to make a decent livelihood, more important than any other question of State politics. In discussing the Constitution before the people,³ I always devoted three-fourths of my time to the provisions in the Constitution which provided for the regulation of this great railroad power; and I never said a word publicly in favor of appointing these Railroad Commissioners, but privately I told all the persons I conversed with that this was our greatest mistake; and everywhere I met with the unanimous opinion that it was, and that the people ought to have the power to elect. The people, by a tremendous majority,⁴ have indorsed these principles of railroad regulation. They are aroused on this question. They appreciate the necessity for an adequate regulation in their behalf of this power that is growing with such tremendous strides, a power which is continually gaining strength by the unifying

² That is, the tax on whisky is in the end paid by the consumer; and, therefore, Kentucky's contribution to the Internal Revenue should not be measured by the amount distilled, which would make the amount inordinate, but by the amount consumed in the State.

³ Referring to the campaign made for the new Constitution during the summer of 1891. The present speech was made Sept. 15, 1891, during the final session of the Convention, after the draft of the Constitution had been ratified by popular vote the preceding August. In this draft, Railroad Commissioners were made appointive by the Governor; the amendment, proposed by Mr. Clay, to make them elective, was the chief change adopted in the Constitution after the referendum to the people.

⁴ The vote for the Constitution was 212,432; against, 74,017, making the majority for the Constitution 139,415. The new Constitution contained important changes over the old in the way of proper railroad regulation.

of its interests through the consolidation that is going on in every direction. They see that the ordinary principles of competition give them no relief; that while they build new roads, consolidation goes on faster.

The people have indorsed these principles, and in offering my amendment for the election of these Commissioners my only desire was to make more efficient that regulation which the people have indorsed. The principle involved in all this is the regulation as secured by five or six provisions in this Constitution; and the appointment or election of Commissioners is simply a means to carry out that regulation, which is necessary and the life of the Constitution in that respect. Now, gentlemen, we do not want any personalities in this thing. We do not want any passion or prejudice. We want to look at it from a sensible standpoint, and the only question involved is a question of means, the importance of which we all acknowledge. I confidently believe that in Bourbon county, they consider the election of a Railroad Commissioner more important than that of a Governor. It is more important to that people in a substantial way. That county in the last thirty years has paid more to the Kentucky Central Railroad in excess of what a fair rate would be, than it has paid State and National taxation, for the tax on whisky is paid by the consumer. Therefore, they consider it a most important question; and do you tell me, if these Commissioners are elected, the people will not take interest in the election? To say so, is to say that an intelligent freeman will not protect his own interest.

The only question is whether this regulation, so essentially necessary, will be best secured by appointment by the Governor or election by the people. In elections by the people the issue is open and public. There is a Convention in which one officer is named. There is no complication of issues. There is no possible combination of various candidates. The interest of the people is self-evident; and to tell me that where the matter is open and public, where the interest of the peo-

a force to penetrate far, it must be undivided and concentrated, and the opposing force scattered; if you want a force to have but little penetration, divide it, and the penetration is lessened just in proportion to the division of the force.

In a State Convention the forces and attention of the people are divided into twenty channels; and the railroad forces, gaining strength with every consolidation, and with only one purpose, and that to make money off of the people, are united and concentrated; and to tell me that they cannot accomplish more in a fight of that kind than in a fight where there is but a single issue, open and aboveboard, is to deny every principle of sociology and philosophy. That is all there is in it. In what way can the people best protect themselves in regard to this great and growing danger, which more threatens the right of the individual to make a livelihood than all the other dangers in our civilization? I believe, in accordance with the common laws of force in mathematics, physics, sociology and common sense, that the people can accomplish more when their attention and power is concentrated, when there is but one issue, and where combination is the least possible, than where their attention is diverted and their forces divided among numerous issues, and where the opposition is united and consolidated. That is all there is in the question, and when you do decide that, you decide this matter. I can state it no better way than that. The whole question is, which is the better way to carry out this regulation of railroads which the people have so thoroughly indorsed? With this presentation of this simple question, I close my remarks.

ple is so great, where there is but one issue, where no combination is possible, that the people cannot protect their rights, is to tell me that republican government is a failure, and that there is not enough virtue and manhood left in the people to preserve their institutions.

Now how is it on the other hand? In a State Convention there are twenty-five or more candidates, and the attention of the people is divided into that many different parts; but how is the railroad power? The railroads are going to try to influence the naming of Railroad Commissioners, because it is a matter of business with them. These Commissioners are assessors of the railroad property; and to effect their purpose may be worth thousands of dollars a year to the railroads in this respect. Under the long and short haul law the Commissioners are to prevent these unjust discriminations between localities so heavy on some communities in the State. It is worth thousands of dollars to the railroads to secure a favorable Commission.

In a State Convention they have only one object, and they have the most gifted managers in the State. They have the utmost concentration of purpose. In a State Convention, as said by the Delegate from Fleming, nobody would think about Railroad Commissioners. Who would have thought about Railroad Commissioners in any of the late Conventions? And it will be so in the future. The attention of the people is divided between twenty-five issues; but that of the railroads is concentrated and united with only one intent, and that is to secure a favorable Commission as a matter of business. Do you tell me that thus working in the dark, with the attention of the people directed to twenty-five different personal issues, the people will have the same power of resisting the railroad power as they will where there is but one office and one issue, where the issue is public, and where this interest financially is so great? To tell me that, is to deny all the experience of humanity, to deny all the laws which prevail in sociology as well as in physics. If you want

SPEECH BEFORE THE DEMOCRATIC STATE CONVENTION, 1895, WHEN DEFEATED FOR THE NOMINATION FOR GOVERNOR.

"Mr. Cassius M. Clay, Jr., was seen walking across the extreme rear of the stage, and a round of cheers forced him to come forward. The hall became so quiet that the ticking of a telegraph instrument in a room adjoining the stage could be heard distinctly. Mr. Clay spoke as follows."—Clipping from the Louisville Courier-Journal, June 27, 1895.

Fellow-Democrats and Friends:

Four years ago I went down in defeat in this same hall, and I cheerfully submitted to the decision. Again to-night I go down in defeat and I again cheerfully submit to the decision and pledge my hearty and earnest support to the nominee of this convention.

Parties cannot exist unless the minority submit to the rule of the majority. I think the Democratic party is formed for great purposes, and that any Democrat is unpatriotic and unfaithful to his State, unfaithful to himself, unfaithful to his fellow-Democrats, and unfaithful to the true friends who have stood by him, who will not give cordial support to the party when he is defeated.

When I started into this canvass, I was opposed to bringing the financial question into the canvass, and the reason of that was this: I felt that to decide the question as to who should be nominated for Governor by the Democratic party by how he stood on the financial question, ignored every proper consideration that should enter into the determination of this question. I knew how divided the party was; and I felt the aggravation of our differences could only injure the Democratic party, and might make probable the

success of the Republican party. Therefore, in a spirit of faithfulness to Democratic rule in the State of Kentucky, I earnestly protested against the lugging of that question into this canvass, but against my protest and earnest endeavor it was lugged in and made an issue. When I first entered upon that policy, it appeared that the wave in favor of the free and unlimited coinage of silver at a ratio of 16 to 1 was irresistible; but I took my stand then, and although that wave has receded and although the sentiment is now for sound money, I have adhered to that policy. Now, I want to tell you, as probably this is the last time I shall ever appear before the people as a candidate, that I am an advocate of sound currency and have always been such an advocate. I thoroughly indorse the administration of Grover Cleveland and Kentucky's most distinguished son, John G. Carlisle, and if to-night you had adopted a free and unlimited coinage 16 to 1 platform, I would have refused to be your nominee, should I have been nominated, because I could not have defended it.

We cannot afford to have Republican rule in the State of Kentucky. The Republican party cannot give on the average as good government to this State as the Democratic party; and why? Nations have just as good government, no better and no worse, than they deserve. They will have no better, because there will be no vigorous public sentiment on the part of the people to enforce it; and they will have no worse, because they won't submit to it. The same way with a party. The administration of a party cannot be any better than the party itself. Now, look at the constituency of the two parties. I will freely grant that the average Republican white voter is the equal of the average Democratic white voter in intelligence, in morality and in interest in the welfare of the State; but still, every fair-minded man must allow that a large proportion of the Republican vote is the negro vote, to a very considerable extent illiterate and ignorant, so that the average unit of intelligence, morality and interest in the welfare of the State in the Republican party is below the similar unit

in the Democratic party; and as the stream cannot rise higher than its source, as party government cannot be any better than the party itself, Republican rule in this State cannot on the average be as good as the Democratic.

This is not only theory, but is illustrated in the history of all of the carpet-bag governments in the South, where the constituency of the two parties was analogous to the constituency of the two parties in this State. It is illustrated in every Republican county government in the State of Kentucky, where the constituency of the two parties is analogous to the constituency of the two parties in this State. It is illustrated everywhere throughout the world and history; and if this is so, if the cause of Democracy is the cause of good government, then every Democrat who is a patriot and feels like doing his duty ought to make an honest effort to prevent Kentucky from falling into the hands of the Republican party. So I call on all true Democrats to rise to an appreciation of the situation, to prepare for the fight and to do everything they can to elect the Democratic State ticket, headed by Gen. P. Wat Hardin.

In conclusion, let me say, while having the kindest sentiments for those who have supported my opponent, I want to earnestly and fervently thank the tried and true friends who have stood so faithfully and earnestly by me in this canvass.

THE LOUISVILLE POST'S SUMMARY OF A
SPEECH BEFORE COMMERCIAL CON-
VENTION, LOUISVILLE, 1895.

Mr. Cassius M. Clay's address on agricultural progress was a characteristically able presentation of the case of the farmer. He emphasized the interdependence of all classes of modern society, and then showed how, from the very nature of the case, the farmers, though the most numerous class, were so scattered that concert of action was almost impossible. Then Mr. Clay said:

"Therefore of all classes, the farmer, most of all, should insist that his government pass only equal and uniform laws, without bias or favoritism to any. He should insist upon this, because it is just and Democratic; but also, if for no other reason, because in the race for favoritism he will always be outrun. In order that his business be burdened as little as possible, taxation should be as light as is consistent with an efficient administration of law and order; and to effect this he should vote for honest, upright and well qualified men for public office, and to a large extent men from his own class. And, by the way, nothing adds more to bad and inefficient government than to select men for county, city and State offices by the test of what opinions they hold on some national question. A man might as well select a manager for his farm by the same test, and expect to see his farm well managed. While political parties are necessary to give concert of action and efficiency to men, holding substantially for the time being the same political opinions, still we should never forget that they are but means to certain ends of good government, and should be used aright; that the ends should never be lost sight of for sake of the means; and that a blind

partisanship or bigotry is a great evil and the hold, to a great extent, by which the boss in cities, and the clique in counties and States perpetuate their power to the disadvantage of the people.

“Good rule in city, State and even nation must depend upon the fact that the independent strength is sufficient to hold the balance of power between the parties or partisans and keep them upon good behavior. The farmer may be always sure that when other classes are unduly favored by the government, it is done to a greater or less extent at his expense. It is exactly as when any organ or part of the body is unduly stimulated, there is always a subtraction of blood and nutriment from the other parts of the body, and finally a detriment to the whole.

“Let the government, by wise and liberal laws, give encouragement and healthy development to all interests, but no favoritism to any, should be the political faith of every farmer.”

Mr. Clay, in a few sentences, stated the case against the trusts in a way that must satisfy the men who believe that the best guide for the future is the experience of the past.

“These great combinations,” said Mr. Clay, “necessarily throw a great many men out of employment, and to a more or less extent control the prices of the raw material and the finished product, and in transportation also control the freight and passenger rates. When such raw material is a product of the farm, as for instance tobacco, cattle, cotton, etc., these combinations injuriously affect the farmer’s business, and their judicious limitation and restraint properly becomes a question of great importance to him.

“There is no doubt, since a corporation is an artificial person and the creation of the government, that the government can within constitutional limits, without any infringement of equal rights, properly control and restrain it so that it may not exercise any power inimical to the rights of the masses. While a certain amount of concentration of capital and effort

is an almost necessary concomitant of a high state of material development and will naturally take place with advancing civilization, still the great extent to which it has been, and is being, carried looks ominous to the average man, and threatens a real and great danger to our democratic institutions.

"Yet, I have not abundant faith in the ability of our politicians to properly handle this question. Men of the best knowledge and experience of such politico-economic questions are rarely elected to public office, and a majority of those who are elected by their radical and superficial expedients, and blatant appeals to popular prejudice, will do more harm than good. For while monopoly is a very great evil, anarchy and communism are an equally great one. All extremes meet, and each in this case will only aid the other. From monopoly to spoliation and anarchy, and from spoliation and anarchy to monopoly, through despotism, the step is equally easy.

"In the meantime the government can and ought to limit and restrain their powers, when dangerous, by taxation, or repealing the tariff where it protects or makes possible such combination, or in any other way consistent with the principles of liberty and the proper protection of the rights of property. One great difficulty with the governmental control of this question is the fact that each of the various States can incorporate such companies, and that it is practically impossible to have any uniform system of legislation in regard to them."

As to the relation of the farmer to the farm, as to the farmer himself, Mr. Clay said:

"No question about farming can be introduced but about which the best of farmers disagree—probably in most cases, both sides approximately right under their special conditions. Now under these varying circumstances, a mastery of detail in any particular case is necessary to secure a reasonable success. Therefore, the successful farmer of the future must be a man of observation and intelligence, and possessed with a

proper zeal to keep up with the best varieties of livestock, the best kind of grains, forage plants and grasses, and also with the most improved methods of feeding stock, so that the greatest profit shall come to the products of the farm, as turned into beef, pork and mutton. And all this is to be done without any deterioration of the land. In fact, successful farming demands a continual improvement of the land.

“In the last forty or fifty years there has been in this country a vast improvement in the farmers’ methods, and the consequent results. I have always lived on a farm. When a boy, our implements and processes were most crude, compared with those of today. Thus, for instance, we harvested grain with a sickle or cradle. Then after awhile came the clumsy reaper, with one man driving and another standing on the rear platform with a fork to throw off the grain, a machine badly constructed and continually getting out of repair. Next in course of evolution appeared the self-dropper. Then the self-rake, and finally, after many changes, the almost perfect self-binder. In the handling of livestock a great progress has been realized. Then, cattle being prepared for market were fed on corn alone, unprotected in winter weather, exposed to the storms and snows. Now, in a good many cases under good shelter, they are fed a judicious mixture of feeds, with much better results; and the same improvement is seen in a great many other respects.

“In this spirit of independence and self-respect, in this spirit of tolerance and consideration, in this spirit of investigation, must the farmer approach every social and political problem.”

IN EULOGY OF HON. WM. GOEBEL.

"In presenting the resolutions, Hon. Cassius M. Clay read the following tribute to the late Governor Goebel, which on motion was ordered to be published in full with the proceedings of the meeting."—From Paris paper, February, 1900, referring to a Democratic mass meeting held at the Court House in Paris, February 5th, to adopt suitable resolutions upon the tragic death of Governor Goebel.

Permit me to say a few, plain, blunt words in memory of my old friend, Hon. William Goebel. I knew Mr. Goebel intimately for years. First, as a colleague in the Kentucky Senate, working in the main for mutual objects and actuated by the same political sentiments and motives. In the Constitutional Convention we were again associated together intimately, both personally and as to common objects to be secured as desirable and necessary in the organic law for the welfare and protection of the people. Since then we have differed politically in some of the great issues, and in the last few years I have seldom met him. He was my friend and I knew him well.

The words that I shall now speak of Mr. Goebel are not to be considered as the fulsome phrases of praise and eulogy usually given a man when dead, but my honest and accurate analysis of his personal character and public purposes. I always found him utterly reliable and truthful, one of the very few men in public life who was absolutely undaunted in carrying out those measures that he thought necessary for the welfare and protection of the great mass of the common people. No bribe of any sort, honor, or political preferment, danger, or fear of personal consequences, could abate one jot or tittle of that capacity, energy or action that he had consecrated to the service of the people.

By nature a radical, and eminently fitted to be a great

tribune of the people he, in the fierce fight for the protection of the plain people against colossal corporate power, might have, from a conservative standpoint, committed some mistakes or errors; but this did not come from any abating of the conscience or weakening of the moral force in the man, but from the fierceness and unscrupulousness of the fight made upon him, and from his earnest and indomitable desire that the people, whose cause he ardently believed he represented, should prevail.

A great many of us think that his greatest political mistake was the passage of his election bill. But to Mr. Goebel, who had consecrated his energies and abilities to the fight in behalf of the protection of the plain people against the encroachments of corporate power, such a bill seemed absolutely necessary to prevent the debauching of elections by the money and influence of the said power. He felt, however mistaken he may have been, that it was a bulwark in defense of the rights of the people. This fight of his to restrain the corporate power within what he thought due limits, was no new fight with him, assumed for demagogic purposes, but commenced with the first day of his official life and continued to the hour of his death.

I shall not attempt here any estimate or analysis of his intellectual abilities, for by his public acts and speeches such estimate can be made by the world. Suffice it to say that they were of a very high order. But amidst the mountains of abuse and contumely that were heaped upon his personal and moral character, and this in a greater degree than ever before known on account of the strong, selfish interest behind it, I felt it my duty, being one of the few who really knew him (and at the best there are very few who so know any man) to give my honest testimony in behalf of his moral purpose and high and lofty integrity.

To a man who has been somewhat in political life, among the great crowd who are influenced by paltry and selfish motives, fearful of their very shadows in defense of principle, to

a great extent unreliable, it is refreshing to meet men of Mr. Goebel's character, brave, truthful and devoted to high principles and purposes. A very eminent lawyer, a kind and indulgent brother, a reverent and obedient son, a staunch friend, a plain, simple, pure man in private life, an undaunted and fearless tribune of the people, he has died as he earnestly believed, fighting their battles, a warrior with his harness on, in the strength and vigor of his manhood.

"Tell my friends to be brave and fearless and loyal to the great common people," were appropriately his last words.

SPEECH ON THE TARIFF, AT LOUISVILLE,
NOVEMBER 3, 1894.

I am much pleased to meet so many of the intelligent citizens of Louisville here tonight, and I am very much complimented by your presence. Being a business man, I propose to speak to you in a plain, conversational way. I wish to make, in the first place, a plea for a more accurate and conscientious consideration of political questions.

When we consider matters of private interest we carefully examine the facts; reason as accurately as we can; get the benefit of our own and others' experience; make up our conclusions in a safe and conservative manner; and all because we feel it so important to us not to be wrong. Now, I hold that the questions of good government, county, State and national, are of enough importance to justify and demand of us the same sort of consideration. If it is as necessary to be right in regard to these questions, then the obligation is upon us as good and patriotic citizens to give to these political questions the same conscientious, accurate and prudent consideration that we give to our own individual affairs. To do any less is to neglect our duty as patriotic citizens.

It is from this standpoint and in this temper I shall discuss public affairs. Spencer has said in substance, and truly, that we decide public affairs too much from an emotional and impulsive standpoint, and not enough from that of reason and cool, discriminating judgment. Though Republicans may so boastingly prophesy and some Democrats may be a little dazed and discontented, the Democratic party is not destined to die. Its platform is based upon true political economy and true principles of human liberty. Though men may come and go and names may change, that party which

embodies in its fundamental principles, economy in the administration of the government; the principle of the greatest amount of local self-government consistent with necessary national strength and integrity and equal rights under the law; a sufficient currency of gold, silver and paper money of constant value; free or freer trade; that party is bound to finally control the destinies of this great country. To suppose anything else, is to suppose the minds of our people to retrograde and civilization to decay. All the forces of education, philosophy and experience are battling in our behalf. As they increase in power, with expanding development, their strength will become overwhelming and sweep out of existence the party based upon bigotry and selfishness, or force it to align itself afresh upon ground more nearly our own. And thus it will be until the victory of free trade and true republican liberty is completely won and secured.

Now let us briefly run over the fundamental ideas of our political faith.

The Democratic party stands first for economy in the administration of the Government. This comes necessarily from our belief in the Government being restricted to doing only those things that the Government should necessarily do, and leaving to individuals all those things that private enterprise can better accomplish. The record of every Democratic Congress since the war proves that it is the party of economy. Next, we believe thoroughly in the principle of local self-government. That is, that the National Government should only have such powers as are necessary for national integrity and safety, and that the States and people thereof, and the communities and people thereof, should regulate, in as great a degree as possible, their own affairs. They better know their immediate wants, and can better provide for them, and can provide for them without injuriously affecting the local interests of other communities.

Besides, there is a grand philosophical principle involved. Our theory is that Government is created for the benefit of

the individual, and not the individual for the benefit of the Government; and the greatest glory of any government is a manly, intelligent and noble citizenship. The law of development is the law of use. If you would strengthen your muscles, your mind, or your moral qualities or any other faculties, you must use or exercise them. So when you throw upon any community the necessity of exercising all those qualities of body, mind and soul required for intelligent and self-restraining self-government, your system develops in the greatest degree possible those qualities that make a people great. The history of the world shows that those nations have developed the grandest citizenship that have embodied in their polity the greatest amount of local self-government. Surely we Democrats are right in regard to this.

I now propose to speak of the tariff question and the financial depression, its causes, and my idea of the manner of recovery; how much caused by legislation and how much by natural causes, as a matter of course in an approximate way. The tariff is an old and worn question, but still as important as ever. I shall discuss it mainly from a new standpoint—that is, so far as the stump is concerned—and I shall make an argument about it, not only on account of the importance of the great question itself, but also as a basis for the explanation of the financial depression. The tariff question is generally discussed on the stump from the standpoint of human liberty and as violative of equal rights. It is said that when one man is taxed directly or indirectly for the benefit of another, to that extent his political liberty is destroyed, to that extent he is the slave of the other man. This argument is elaborated and illustrated and made a very forcible appeal to the noble emotions and sense of justice of men. It is a noble standpoint from which the orator may appeal to and arouse the noblest enthusiasm of honest men. But, after all, the argument in itself is not logically conclusive to the calm thinker. The Republican will make this reply. Right here let me express the hope that Republicans are present. I do

not believe in taking any advantage of Republicans. The way to convince men is to treat them fairly, not to mistake their opinions, or misrepresent their motives. I freely acknowledge that as individuals they are just as honest and patriotic as we are, and the only difference between the parties from my standpoint is that our policy conduces in a much higher degree to the glory, prosperity and true republican liberty of our country. I was saying that the Republican would reply that in the social organization men are mutually to a great extent dependent upon each other; that one carries a part of his neighbor's burdens, and his neighbor a part of his; that every appropriation to a harbor, a river, a public building or other object, involves a tax upon all, for the benefit of a few; and, although under the tariff a man may be indirectly taxed for the benefit of others, that he receives compensation in many ways; that he receives compensation through an increased home market, through increased wages to the laboring man, through an increased diversification of industries, and in other ways; and that when the whole balance is struck, the man who is indirectly taxed for the advantage of others, instead of being injured, is actually benefited.

Thus the mind is to a certain extent confused. But there is an argument that is comprehensive, exhaustive and conclusive. It is the argument from the standpoint of political economy; the argument which has made all the great historians, political economists and thinkers free traders; the argument which has influenced professors in all the great Northern colleges situated in the section where the protective feeling is strongest—Yale, Harvard, Williams, Amherst, Princeton, etc., teaching free trade—the argument which is turning out yearly from those great institutions of learning thousands of graduates, well trained thinkers, brave and efficient soldiers in the battle for tariff reform; an argument that has not been answered and cannot be. For if it were possible to have answered it, the billions of consolidated wealth interested in the tariff surely would have had some professors

teaching its refutation in some of the great colleges situated in the manufacturing East. It can no more be answered than the proposition that two and two make four. Well, what is the argument? I will give it to you as briefly as possible.

Trade is more or less mutually advantageous, and the incentive to trade and the profit of trade is the difference of relative efficiency in producing the two things exchanged. States and nations differ in a thousand respects; nations in soil, climate, situation, production and otherwise. Communities and states differ in the same way. Individuals differ in physical and mental characteristics; one man is better adapted for law; another for medicine; another for business, and so on. On account of these differences in men, states and nations, there is necessarily a difference of relative efficiency in producing various services and commodities. Now the incentive to trade and the profit of trade depend upon these differences; and any individual, community or nation will, in the aggregate, get the greatest amount of production and wealth by putting their labor and capital into their most efficient channels of business and with the product of their most efficient labor and capital purchasing those other things that they need, but cannot so efficiently produce. Let us illustrate this principle mathematically. Let A represent an individual, community or nation, and let B represent another individual, community or nation. Now A, as a matter of course, is most efficient in his own business, and B in his own. The lawyer is better as a lawyer than a farmer, and the farmer better as a farmer than a lawyer, and so on. Let A's efficiency in his own business be represented by 10, and B's in his own business by 10 and the efficiency of each in the business of the other by 5. This means that each can do as much in his own business in say five days as the other working not in his own business can do in ten days. So that in this case each by confining himself to his own business, by a free exchange, each desiring of the other's product, procures by five days' labor what otherwise if he had to produce himself, would require

ten days' labor. So in this case each saves five days' labor for the production of additional wealth. This is the incentive and profit of trade. Suppose now, the figures are ten and six; still there is a four days' saving of labor, and four days on the part of each measures the incentive to trade and the profit of trade. Make the figures ten and seven and still there is a profit of three days to each. Let the figures be finally ten and ten and all the incentive and profit to trade disappear, and trade does not take place. The profit to each party does not necessarily have to be the same as in the illustration above, but necessarily there must be more or less profit to each, or else there is no incentive on the part of each to trade. Now, when Government comes in, as between individuals, communities, or nations, for the same principle applies, and by a prohibitory tax, protective system or any manner of obstruction, prevents this free exchange of the products of the most efficient labor and capital, or by taxing profitable industries, to make profitable naturally unprofitable business, it always does so at a loss of the efficiency of both capital and labor. This statement is mathematical, logical and accurate. Spencer says in substance in strict accord with this principle: "Governmental legislation or interference in commercial matters, except it be the repeal of bad legislation or the removal of obstruction, always does harm, and does harm just in proportion to the interference with the natural laws of supply and demand." The law of God or nature brings about the best results, and the narrow, bigoted and avaricious interference of man always does harm. This argument leaves not a single peg upon which to hang a single shred of the garments of protection. The Republican will here say: "Your system would place too much labor and capital in one or a few businesses—would not give us that diversification of industries that is necessary for the welfare and prosperity of the country."

The reply is: The law of supply and demand will properly distribute the labor and capital of the country. Whenever

too much labor and capital are placed in one business, there will be overproduction and a fall in prices below the cost of production; and by the force of the law of supply and demand the surplus labor and capital will be redistributed into other business, so that the tendency will always be to distribute the labor and capital of a country into that diversity of industry that is natural and proper, and which in the aggregate will give the greatest average efficiency to labor and capital, and which necessarily will produce the greatest possible amount of wealth and prosperity. This argument places protection in its most invulnerable fort and destroys it, for you can suppose that protection is an ideal system; that it is gotten up by humanitarians and philanthropists, who are actuated only by a sense of justice and right; that the benefits and burdens are equally distributed between all classes and all sections of the country; and still the principles we have elucidated show most certainly that where there has been any obstruction or prohibition of the free exchange of the products of the most efficient labor and capital, it is inevitably done at a loss to the parties involved and the country in general. But what are the real facts about the protective system?

It is a system gotten up by greed and avarice. The strongest interest can and will elect the most Representatives and Senators. The weak elect none. The legislation accomplished is the resultant of forces. The strongest forces in the main prevail. The strongest interest, which needs least, gets the most protection, and the weakest, which we can reason by sympathy should have most, gets least. One section, under the system, accumulates wealth at the expense of other sections, one or a few classes at the expense of the great consuming mass. Massachusetts and the manufacturing East accumulate immense wealth at the expense of the great agricultural West and South. The highest principles of true republican liberty, the equal rights of all citizens, are trodden under foot, and all the dictates and principles of sound political economy and business ignored. Instead of intelligence, big-

otry and medievalism are blindly followed. Instead of the principles of humanity and liberality, the passions of narrow exclusion and bigoted selfishness are cultivated.

The Republicans depend mainly upon the side arguments, that protection gives a better home market and also higher wages to the laborer. Let us briefly examine these two points, mainly from the standpoint of the argument we have made, and see how they are completely answered by it. Home market, in the abstract, means power or ability to buy and consume. Now what gives this power in the greatest degree? Population or wealth? Prosperity conduces to increase of population, as Buckle clearly shows. So any policy that conduces in the highest degree to the prosperity of the country necessarily makes the best home market. Take the wages question from the same standpoint. The price of labor is absolutely controlled by the law of supply and demand. The richer a country, other things being equal, the greater the demand for labor; for the capital of a country constitutes the wages fund and the greater the fund, other things being equal, the greater the demand for labor, and the higher the price. Take the countries of Europe where conditions are the same, and you will find this rule absolutely true. So if the policy of free trade is best for the development of the wealth of the country, it will necessarily create the best demand for labor; especially when we consider that it is a policy which favors a more just and equal distribution of wealth and is most antagonistic to combines, monopolies and trusts. While we are on the labor question let us add one or two more considerations. Labor will be high, where it is scarce, and low, where it is plentiful. The manufacturer, while reaping his certain reward from protection, never gives his laborers what he can afford to give, but only what he is forced to give under the law of supply and demand in the open market. The laborer in a few instances may get a small increase in value of wages, but he may be sure that in every case he pays far more in the way of burdens placed upon him by protection. Of all sys-

tems of taxation the protective especially discriminates against the laboring man. The tariff is a tax upon consumption. The laboring man consumes pretty much all that he makes, the rich man but a small part of his income; so that the system relatively discriminates against the laboring man. Finally, the advocates of protection claim that, because the country has prospered under the protective system, therefore protection is right.

I have seen young men who had good constitutions grow up to vigorous manhood in violation of every law of hygiene and health. This young and vigorous country with its immense natural resources, with its intelligent and indomitable population, could not be kept from a great development by any policy, however bad; and you might as justly claim that the young men mentioned above owed their vigorous manhood to the violation of every law of health, and not to their innate constitutions, as to claim that this country owes its great development to the protective system and not to its great natural advantages, and noble and indomitable people. As a matter of fact, the decade of 1850-60 under a low tariff shows the greatest percentage of increase of wealth of any decade of our history.

Let us now examine into the causes and responsibilities of the financial depression. The diagnosis of every financial panic or depression, with some modifications, is about the same. The great political economists in their analysis of the previous panics all show this. A financial crisis has its symptoms like consumption, pneumonia or small-pox. First, on account of the emotional and speculative nature of men, there is booming of prices and expansion of values in one or more directions. Values are controlled by the law of supply and demand, and when the pendulum of value is swung too far back to one side, it inevitably must swing back as far to the other side, before coming to its true point of rest. Capital is diverted from its legitimate channels of business into these boom channels. When the reaction comes, men try to hold

on to their boom property as long as they can; they boom money at high rates of interest and make a stringent money market, but finally have to sell out at a great loss. Capital is lost. When one man is hurt financially, every man who buys of him or sells to him is more or less injured. For trade is mutually advantageous, and the prosperity of our neighbors is our prosperity and their adversity adds to ours. Men are emotional. We give confidence by our confidence, and by our distrust we give distrust, to those with whom we are associated. Finally, the crash comes, capital is wrecked, confidence is lost and we have the financial panic. How was it with the present depression? It commenced by an overstraining of values in the Argentine Republic. When the reaction came, capital and confidence were lost. The great English firm of Baring Bros. was involved in the catastrophe. Then Australia showed the same symptoms, and their banks suspended to the extent of two hundred millions of dollars, involving in their calamity their commercial correspondents, the London bankers. The depression and financial stringency next appeared in Continental Europe, France, Germany, Italy, etc. Then America became involved, not only by commercial connection with these countries, but also on account of some special forces of her own. The commercial world is now so closely connected together by cheap transportation, railroads, steamships, telegraphs, bills of exchange and all the various modes of clearances, that any impulse given to any part of it is felt throughout all other parts of it. Now in the United States, besides the effects of our commercial connection with the balance of the world, already affected by the depression, we had the booming of certain properties far beyond their real values; the bad effect of the Sherman silver-purchasing act, a Republican measure; and the accumulated bad effects of the vicious tariff system, by which wealth had been unequally distributed and certain industries unduly stimulated and overproduction, so far as the home market is concerned, produced. Such overproduction on account of the

tariff was created upon so high a rate of artificial cost that foreign exportation was impossible and employees were necessarily thrown out of employment, until the home market could consume the surplus.

The situation in Europe today is as bad as in this country; forty-five cents for wheat with cheap transportation means much more of disaster to the English than to the American farmer. There they have artificial manures to buy and very high-priced lands, and the cost of production of agricultural products is necessarily much higher with them than with us. I saw in a reputable newspaper some time since an account stating that a farm in England, which fifty or sixty years ago had rented for 2,100 pounds, had lately rented for one pound, the tenant in each case paying the taxes. The same state of affairs exists in the other European countries, so that the depression has and does extend to a greater or less extent throughout the commercial world. What is the situation in this country? We are a great agricultural country with an immense surplus of agricultural products to export, and this surplus will yearly become greater. Now every business man knows that in the main the price we get for the surplus controls the price we get for the same articles sold at home. The price for cotton, wheat, etc., is controlled by the price we get for the surplus of these articles exported. If we exported none of this great surplus, prices would go to the very lowest figures.

The only way to get a better price for a commodity, the supply being given, is to increase the demand. All the legislation in the world cannot raise values, except so far as it may affect the supply or demand. All the legislation of all the parliaments in existence, declaring that the Ohio River shall flow up stream, will not make it do so, for it will obey only God's law, the law of gravity, and flow down stream; and so in regard to values, the only way to make a commodity more valuable is either to make it scarcer, or to make a greater demand for it. The situation of America today is that it has a

large surplus mainly of agricultural products to sell abroad. Interests in this country are so connected together that all other businesses necessarily languish unless those interests represented by this great surplus flourish. The only way to get a better price for this great surplus is by having our European friends in better financial condition and by having a better and wider foreign demand. Trade is mutually advantageous and Europe must be in condition to take our surplus at remunerative prices.

Now let us speak of the responsibilities of the two parties for the present and past condition of the country. In the first place, how could Cleveland or the Democratic party make a better demand in England and Europe for cotton, wheat, tobacco, etc.? Upon the prices of these products as I have shown you, our whole commercial prosperity mainly depends. What acts have they committed that have injured these prices? On the other hand, what has been the responsibility of the Republican party? I am trying to bring it down to a mathematical and business basis. In the first place, they aggravated the situation by the passage of the Sherman silver-purchasing act, which was draining the country of gold and impairing European confidence in the stability of our monetary system. In the second place, the ill effects of the tariff system, in its unjust and unequal distribution of wealth and its overstimulation of certain industries, and its formation of trusts and monopolies, had put the country in bad condition to stand financial strain. Finally, as I have before shown you, as the only way to increase value is to increase demand, the whole effect of the protective policy was to lessen foreign demand for our surplus, and to diminish and curtail our markets, when, to broaden and widen them was our only hope to get better prices during our financial strain. Love begets love, hate begets hate, and as we treat others so will they treat us. The Republicans, by their policy of exclusion against the productions of other nations, had by this fundamental law of hu-

man nature built up Chinese walls of exclusion of our products on the part of Germany, France, Italy and Spain.¹ They had even forced upon England, the country which takes the greater part of our exports, the necessity of building up, as far as she could, competitive markets, with our agricultural exports, in Australia, Africa, South America and India. When the crisis came and we could only increase prices by a greater demand for our immense surplus, the effect of the Republican policy was to cut us off effectually from any such recovery. How can patriotic, thinking men be Republicans?

The Republicans seem to think we can thrive best by cheating our neighbors, or at least by having nothing to do with them. Our belief is broad, Christian-like and humanitarian; that trade is mutually advantageous; that we prosper in the prosperity of our neighbors, and are damaged by their adversity. How shall the commercial recovery come? From a hundred different factors; for instance to take one, the Wilson Tariff bill has passed. It will give, and has given, certainty to the future of the manufacturer, and he will employ his full complement of men. These men receiving wages will buy food, raiment and other necessities and comforts. This will stimulate each of these industries and those industries, being stimulated, will stimulate all other connecting industries. Foreign trade or importation will be increased, and foreign demand for our products (the foreigners being in better condition) will be stimulated, and thus from many sources, each impetus of advantage strengthening the other, these streamlets finally running together will create the broad river of normal prosperity. Confidence at the same time will grow in the same way. Now in regard to the tariff bill, I am glad that it was passed. I, among others, wished a more

¹ To partially obviate these conditions reciprocity is to be favored. In a later article on the Tariff, Mr. Clay says (speaking of the principles of free-trade): "There is one difficulty in the way of the application of these true economic principles—a difficulty produced very likely to a great extent by our example—I speak of the fact that so many nations have established high protective tariffs, so as to prevent us from getting full benefit of the right policies in this regard. Here is where the principle of reciprocity comes in and is to be approved, as a means of gradually removing these foreign obstructions to the full action of a right economic system."

radical bill, but under all the circumstances, it was the best attainable. For various reasons I am glad that it was passed. In the first place, the financial reaction to better times was bound to come. If it had come with the McKinley Bill on the statute books, the Republicans would have said: "I told you so; just as soon as you Democrats quit meddling with the tariff prosperity returned." It completely answers this miserable demagogism. In the next place, after we had carried the country on a platform of tariff reform, the Senate, the House of Representatives and the presidency all being Democratic, had we failed to do anything in the way of tariff reform, the charge would have been hurled at us on every stump that the Democratic party had no administrative efficiency; that we had no business sense; that we were unworthy of the confidence of a patriotic and business people. What answer could we have made? Again, the bill was a step in the right direction, and in the fight against the power of great consolidated wealth the first step is very often the hardest to take. It was a step in the direction of getting a better reward for our capital and labor; a step toward broader and wider markets; a step toward greater manufacturing production, greater commerce, and last though not least toward true Democratic liberty and toward more equal rights of every citizen under the law.

The Republican may say that Democratic agitation of the tariff question added materially in bringing on the financial depression. How could that agitation materially affect the prices of wheat, cotton, cattle and tobacco in Europe, upon which our home prices depended? But be the results of that agitation what they may, who is responsible for the results?² If I rob you, and you agitate for the recovery of the stolen goods and for preventing a recurrence of the theft, who is responsible for the results of that agitation: I who committed the wrong, or you who only demand your rights?

² Elsewhere, in the article quoted in Note 1, it is admitted: "Any sudden radical change of the Tariff, with business adjusted to the present high rates, would no doubt bring on serious financial depression, but this should not deter us from honest effort to gradually get clear of this pernicious system."

So long as our citizens are brave, manly and intelligent enough to know their rights, they will demand the redressing of wrong and injustice. The only way to ever stop the agitation is to right their wrongs. All the results of the agitation are to be justly chargeable to those who perpetrate and continue the injustice, and not to those who only demand their just and equal rights.

The record of the Democrats in the last Congress is a very commendable one. Though opposed by great obstacles, they accomplished much good. They repealed the odious Force Bill, and so made elections free from Federal interference. They materially cut down expenses. They repealed the Sherman act which materially threatened the business interests of the country, and did no good to the cause of silver. Finally they made considerable progress in the great cause of tariff reform, and, by the income tax, they placed upon those able to bear the tax some compensation for the discriminating burdens placed upon labor and agriculture.

To carry out the great principles about which we have been speaking, men are required. You have nominated for Congress a man in every way worthy to be your representative, able, honest and well trained for business. You have nominated worthy and well-qualified men for your county, city and district offices. You certainly can have no objections to any of them personally. But I do not ask you to support them on these personal grounds, although they are in every way worthy of it, but I appeal to you from a higher plane, from a more exalted standpoint. If you are a true Democrat or patriot, if you really believe that the great Democratic principles conduce in the highest degree to the welfare, prosperity, happiness and liberty of your people, then as a patriotic and duty-performing man you owe it to yourself in every moral fiber of your conscience, you owe it to your family, to your neighbors, your State and Nation, to give the representatives of these great Democratic principles an earnest and vigorous support.

SPEECH IN FAVOR OF SOUND MONEY, PARIS,
1896, A REPLY TO SENATOR STONE OF
MISSOURI.¹

I appear before you to-night as a man who personally is out of politics. I have made my last race for a political office, and hereafter I propose only to perform the duties of a private citizen. My motive to-night is solely to do my duty to my state and country. To the people of my county, who have cordially supported me in the past, I am profoundly grateful, and to some of them it may seem proper that I should not be here to-night; but when the passions of the hour have passed, I am sure that I will have better earned their respect by being true to my own earnest convictions. I believe the political crisis is the greatest since 1860. I believe our nation and its institutions, in fine, our civilization, are more on trial now than probably at any other period since 1776. My personal, selfish interests are more on the side of Bryan; for I belong strictly to the debtor class—I owe others, no one owes me money. My property is in land, whose real value will be but little affected by either of the financial policies advocated before the people. This much permit me to say in the way of a personal explanation.

I shall discuss to-night the financial question almost wholly, and without personalities; for certainly the importance of the question is worthy of such treatment. Our Free Silver friends seem to think the way to discuss the financial question is to indulge in abusive personalities. They evi-

¹ The following note was written beneath the list of articles left for publication: "Probably the best speech I ever made was at Paris in 1896 against Bryan in favor of sound money. The manuscript speech in my papers leaves out some of the best and most pungent points, made principally in answer to Sen. Stone of Missouri." Unfortunately the manuscript referred to was the only copy of the speech preserved and available for publication.

dently bear in mind the advice of the law professor, who in his parting address to his pupils said: "Young men, you must recollect that when you have a good case you must stick to the law and the evidence; but when you have a bad cause to support, you must abuse the other fellows as much as possible, and in this way make a division."

The issue is, shall we depart from the present standard of value, that is the present system with gold as the standard of value, with a limited coinage of over four hundred millions of silver dollars and an extensive issue of paper money, all held equal to gold, and indulge in the unknown results of the unlimited coinage of silver at the ratio of 16 to 1 when the commercial value of silver is about 32 to 1.

Let us for a moment inquire what should be the qualities of the standard of value. The philosophic and honest currency is one that remains as constant in value as possible. Money, like all other commodities, varies in value according to the law of supply and demand. A currency that depreciates in value hurts the creditor class; morally impairs the obligation of contracts; increases speculation; temporarily booms prices; and finally brings on its natural reaction, financial depression. On the other hand, a currency that unduly rises in value hurts the debtor class; equally impairs the obligation of contracts; lowers prices; checks enterprise and development; and has a chilling and depressing influence on business. The currency, or standard that remains constant in value hurts no one; gives confidence to business; and contributes in the greatest degree to prevent panics and to develop and increase the wealth and prosperity of the country.

So it is always the highest wisdom to adopt that standard of value which varies least in the course of time. The gold standard, as we have it at present, with a plentiful but limited coinage of silver, and with a sufficient issue of paper money, all based on and equal to gold, is in my opinion the best attainable financial system. To leave this system, to go to the results that would be brought by the free and unlim-

ited coinage of silver at the ratio of 16 to 1, would be ruinous.

I freely confess that, were I to believe that the free coinage of silver at the ratio of 16 to 1 would appreciate the value of the silver dollar up to and equal to the gold dollar, I would earnestly advocate that policy. It is because—and this is the whole gist of the matter—that I most earnestly believe it would not, but would fall far short of such a mark, that I think such coinage would be ruinous and disastrous in many ways to the country.

No honest man, I take it, would want to change suddenly the standard of value fifty, twenty-five, or any large appreciable per cent. For such change would imply the impairing the obligation of contracts to an incredible extent, both on the part of the government and on the part of the private citizen, a bad breach of national faith and loss of credit, and incalculable loss to masses of individuals and, especially to laborers.

It is difficult to fully state the whole disaster to our people, both physical and moral, of such a result. So, if I can pretty well establish that the free coinage of silver would largely depreciate the standard of value, I utterly condemn such policy in the eyes of honest and patriotic citizens. In fact, as the Bryanites propose the experiment, the burden of proof is really on them to prove that such depreciation would not be its result.

Under the free and unlimited coinage of the two metals, or the free issuance of paper money, the Gresham law, which is based on eternal principles of human nature, prevails. This law is that the cheaper metal or dollar, when the supply is unlimited and both are legal tender, drives out of circulation the dearer. Men will pay their debts as cheaply as they legally can, and so, will not use the dearer dollar as long as they can obtain the cheaper. This law has been so often explained and illustrated that I will not further elucidate it. The history of every country in various instances illustrates

and proves it. The reason why all our present money circulates concurrently is that the action of Secretary Carlisle and the credit of the government keep each and every form of currency equal to gold. This could only take place under a limited issuance of paper money and a limited coinage of silver. Even under the present conditions the strain upon the Treasury is great, and our currency laws need some amendment by which such strain would be removed from the government.

Bryan proposes that the government should freely coin, without charge, all silver bullion, brought to the Treasury, into silver dollars at the ratio of 16 ounces of silver to one of gold, when their commercial value varies at the ratio of 32 to 1, for the sole benefit of the holder of such bullion. He claims that the mere fact of such coinage being afforded to the bullion holders will raise the value of silver 100 per cent. If it does not, no gold will be used in the United States; for if the gold bullion in a dollar be worth more than the silver bullion in a dollar, gold bullion, instead of being coined into money, will be used to buy silver bullion, since this will make more dollars than the gold itself would have afforded by its coinage. To assume the contrary would be to suppose that men act without any business sense or shrewdness.

Now, I admit, if the government should indulge in the free silver experiment and should at the same time promise—and had the ability to carry out such promise, which it has not—to redeem on demand every such silver dollar by a gold dollar, then, as long as the government had the ability to carry out this promise, each one of the silver dollars would be equal in value to a gold dollar.

Bryan, however, proposes no such thing. He only proposes that the government should put its stamp on silver bullion that is now worth about 50 cents, call it a dollar, and make it legal tender for debts. At no time does the Government become the owner of such bullion or money, and its coinage is wholly for the benefit of the holder of the bullion.

We the sound money men claim, supported by the experience of every nation and the precepts of every political economist of the first class, that such money will only depreciate the value of debts and obligations, and that such money, freely coined, will drive out of circulation all better money. We claim that, instead of bringing on Bimetallism, it will only produce silver Monometallism and a greatly depreciated standard of value. Such system, leaving out of account all the disaster and ruin brought on by such a shock to commerce and business, would finally do no good to any class whatever, but would be a burden and injury to business, and especially of great detriment to all the laboring classes.

Now let us examine into the results of the election of Bryan, financially considered. As soon as Bryan took the oath of office and appointed his Secretary of the Treasury, and as soon as that Secretary refused to follow the precedents of Secretary Carlisle and other Secretaries in paying gold on demand on the presentation of Treasury notes, Greenbacks, etc., gold would immediately go to a premium and we should descend to the silver standard, for gold would no longer be used as redemption money by banks or by anybody else. All paper money, being redeemable in coin, would be redeemed in silver, and would be worth no more than the bullion contained in the silver coin. This would take place before the passage of a law for the free and unlimited coinage of silver. When such a law was passed, for we are assuming that the experiment is to be carried out, the only inducement for the coinage of silver bullion into dollars would be the advantage of holding such dollars over the holding of silver bullion. The experience of all nations is that such dollars are only worth the bullion they contain, so that appreciation of the value of silver would be slight, certainly not sufficient to raise it 100 per cent. in value. Whatever appreciation took place would be under the law of supply and demand and not because of any fiat of the government. Increased demand for silver, caused by its enlarged

use as money in the United States (and its price is determined by international supply and demand), would be met and compensated for by increased production, which would be the result of any rise in its value.

Bryan says free coinage would cause an unlimited demand for silver, which would raise the value of a silver dollar to a gold dollar. Such a statement is nonsensical and false. The demand for silver would be the inducement caused by the difference of value between the bullion and the coined dollar which, not being convertible into or redeemable by a gold dollar, could under no circumstances be equal to a gold dollar, until by world action and convertibility the silver in the silver dollar throughout the world should be equal to the gold in the gold dollar.

The only effect of free coinage of silver and making it a legal tender of the United States would be, as I have before said, to depreciate the value of all obligations, both governmental and individual. In the first place, such descent to the silver basis would wonderfully contract the aggregate value of the currency—I mean its power and capacity to carry on the business of the country. Suppose such policy should appreciate the value of silver little or nothing, which I think would be the case, then our six hundred and twenty-five millions of silver would be reduced half in value; our six hundred and twenty-five millions of gold would leave the country and go where it had full appreciation; our six hundred millions of paper money, being redeemable in coin, would be redeemed in silver; so that our eighteen hundred millions of currency would be reduced to one-third its value and to one-third its power and capacity to do business—and all this would take place before any free currency act could be passed and put in operation. What immense damage and loss to the business of the country it would cause, no mind can adequately predict. Suppose, however, that finally, after disaster and loss, after repudiation of debts and national dishonor and shame, we were adjusted to a silver basis, what

would be the result? What benefit would it be to the nation? Would it make us any richer to call fifty cents a dollar? Would it add anything to the real capital of the country? If it did, then it would be still better to call ten cents a dollar, and get nominally five times as much money for our commodities.

The great body of our people are laborers. Let us see how it would affect them. When the currency is depreciated, the price of commodities rises in a great deal higher proportion than wages; wages are the last to rise, and always rise in less proportion than commodities. The history of our greenback inflation period, during and after the war, proves this, according to the Congressional report of 1893. I will not weary you with detail. Commodities in the average rose about twice the per cent. that wages did. Now, let us see whether an increased employment would follow the free coinage of silver. Wages, like all other things, are controlled by the law of supply and demand. The capital to be employed in production is the wages fund, for all the elements of the cost of production can finally be resolved into wages. This capital makes the demand for wages; you cannot absolutely increase the value of wages except by increasing the amount of capital. Calling fifty cents a dollar does not increase the amount of capital in the said piece of money. But there is a more important phase. The currency is but a small proportion of the capital of a country, credit composes a very large part of the capital and, consequently, of the wages-fund. In fact, about ninety per cent. of transactions are settled by some form of credit, and from five to ten per cent. by money. As civilization advances, as men are brought nearer together by railroads, telephones, telegraphs and steamships, as knowledge and confidence of man in man increases; in fine, as civilization progresses, credit more and more will predominate in the transactions of the world. Now without increased capital, which consists of both money and credit, we cannot have increased wages or increased em-

ployment. Free Silver diminishes the amount of capital by driving out the gold, by lessening by one-half the value of our silver money already coined, and of the paper now in existence which will then be based upon the silver dollar, besides reducing in a far greater degree the amount of credit capital; for when uncertainty and distrust prevail, credit disappears. So that relatively even after we get adjusted to the silver basis, wages, compared with the present, will depreciate in value.

The countries which have the greatest capital employ the most labor and pay the highest wages. The laborer will be the most hurt by the free coinage of silver. In fine, it is a scheme which will pay him off in fifty-cent dollars, and by crippling the industries of the country will make less demand for his services, and consequently give him less employment. One gentleman of my acquaintance, who is a finely educated mathematician, is for Free Silver in behalf of the farmer for the sole reason that it will enable him to pay off his laborers so much the more cheaply.

I heard Governor Stone of Missouri (and by the way up to this time it has been the only speech I have heard in the campaign) speak here the other day, and I propose now to answer his two or three principal points made on the financial issue. His points were, first, that we are big and great enough to have our financial system as we wish, independent of the action of other nations; secondly that, as silver depreciated on account of demonetization in 1873 by the United States, therefore the restoration of free coinage would appreciate the silver dollar equal to the gold dollar; and lastly that, as all parties had called for an international agreement, therefore the gold standard was wrong.

Legislation cannot abolish any of the laws of nature or of science. All the legislation in the world cannot make Stoner Creek run up stream, or make a body fall from the earth instead of to it. No legislation can alter the law of value; absolute value is controlled by the law of supply and de-

mand, and legislation can only affect value as it may affect either supply or demand, or both. Law can make a thing legal tender for debt, but it cannot arbitrarily add anything to the value of the legal tender by its fiat. We, sound money men, are no more intrinsically for gold than for silver or iron or any other commodity, but we simply demand, as a condition precedent to commercial greatness and progressive civilization and to good faith and morality, that we have a currency of stable value. We would use all of the gold and silver possible consistent with the great object of a stable currency. We know that the free coinage of silver at the ratio of 16 to 1 will give us a depreciated monometallic silver currency of very fluctuating quality. We do not object to silver; we do demand that its use shall not destroy the gold part of our currency, and that it shall be used only in such a way as to produce true Bimetallism.

A great many sound money men believe that silver could be freely coined, if there was an international agreement by all the prominent commercial nations to that effect, and they believe that the large demand so made for silver in that way would appreciate its value up to gold. This is a very doubtful proposition and purely speculative. Under our present system a very large amount of silver, fifty times as great a quantity as was used before the act of 1873, is thus used now, an amount representing in value twice the same amount of silver under free coinage at 16 to 1. In fact, the gold standard countries are using more silver than they did under free coinage.

The only factor in the public mind, without it the movement would have no strength, in favor of free silver at the present time is the low price of commodities and the depressed condition of business.

Let us analyze these matters a little. Wheat, corn and land have depreciated in value. In the first place, we claim the free silver agitation has done much to depress business. Secondly, the great activity in the invention of labor-saving

machinery and the too rapid extension of the railroad system to the cheap lands of the world also have had a hand in this.

First as to the Free Silver agitation: John Stuart Mill has substantially said that the aggregate circulation of currency, that fixes prices any given time, is the amount of money multiplied by the rapidity of its circulation in the given time, plus the amount of all the varied forms of credit used in settling transactions multiplied by their average rapidity of circulation. The aggregate of both is the total amount offered for commodities and services during the stated period. Now in the United States and England and the most civilized states, the credit forms vastly predominate in amount. In the United States and England the credit forms make probably about 90 per cent. Suppose the money part of the above to remain the same, can any one deny the vast contraction of the credit part produced by the Free Silver agitation? Such contraction is just as efficient in reducing prices as a contraction in the money part of the circulation.

Secondly, as to the extension of the new railroads into the cheap lands of the world. In Manitoba, in Argentina, Siberia, Australia and Africa, railroads have opened up new lands with cheap transportation for wheat, corn, cattle, etc. Also cheap ocean transportation has been found, by which these articles from the cheap lands of the world can advantageously compete in the European markets with our surplus, the price of which controls our home prices.

We cannot repeal the law of supply and demand. We must compete with these countries of cheap lands and labor. Free Silver will only handicap us in that competition, its only advantage among many burdens being the fact that it would cheapen labor. But, with our universal suffrage, to degrade labor is to degrade our government, because our liberty and institutions rest upon the intelligence and reasonable content of the laboring masses who are in a vast majority.

The effects of free coinage, to sum up, would be to impair

the obligations of contracts; to allow the debtor to cheat his creditor; to hurt the orphan, the Savings-bank depositor, the pensioner, the great body of the people, the laborers; to honestly help no one; to make a deadly breach in the national credit; to damage all business; to immensely contract, for a long time at least, the currency and the ability of the country to do business; and, finally, to frighten foreign capital, to do no one substantial good, but to fasten upon the country a system, adopted by only semi-civilized nations; all, in truth, an encouragement to demagogues to start new agitations for new breaches of national faith. Free Silver failing to give the required relief and be a panacea of all ills, we should then have the campaign for an irredeemable paper currency, until finally we rushed upon financial disaster and destruction.

There is another point in the Chicago platform that I shall refer to before I close, and it is even worse than the free coinage of silver at 16 to 1. I mean the riot clause. In this great country governed by the people, with free suffrage for every male over twenty-one, our greatest danger is not directly the chance of despotism, but the reckless spirit of disregard for law and order. In this country we have no king by divine right to rule over us and to give authority to his mandates; but the law must be king, and, unless it is enforced and revered, anarchy and chaos await us. Despotism would be welcomed for security. Our road to despotism is through lawlessness and anarchy. Cleveland performed only his constitutional and necessary duty in Chicago. He interposed only to enforce the National laws when violated. That act I approved more than any other act of his administration. For the Democrats to condemn such action—and the Chicago platform can mean nothing else—is to lend itself to the cause of anarchy, and finally of despotism.

Nations are like individuals. To the individual comes times of trial and temptation. How often, when the burden of doing right and meeting manfully our varied obligations is upon us, the tempter whispers to us of some seemingly

easier course, some evading of moral obligations, some cheating of him who, we think, can afford to stand it. Resist such blandishments. Bravely meet our duty, and our character becomes strengthened and conscience approves. Give way, and the first step is taken that leads to moral destruction and ruin.

So with the nation. As a nation, first let us be honest, because it is right; finally, we will find it the best policy also. Should we now give way to the specious pleas of the demagogue, we will not be able to refrain from taking the next step. The road to Avernus is easy, and easier as step by step we descend. Repudiation and riot now, next anarchy and communism, for security and rest, despotism. I have too much confidence in the intelligence and virtue of the American people to believe that such is to be our fate. No! In this land I hope is fated to live liberty and law, security and order, freedom and justice. I believe the divine fiat has gone forth and the forces of repudiation, riot and disorder are doomed. The founders of the republic have not founded it in vain. Law and order, liberty and justice, shall rule.

CAUSE OF THE SPLIT IN THE DEMOCRATIC PARTY.

From the Lexington Herald, June 27, 1902.

Please permit me a few words about a matter that has been discussed in the columns of your paper, in the *Courier-Journal*, and doubtless, in other prominent papers of the country, viz.: The responsibility for, and the causes of, the split in the Democratic party on the issue of the free coinage of silver. The *Courier-Journal* has held that the split could have been prevented by proper action on Mr. Cleveland's part—at least, such has been the impression made upon our minds by reading its editorials. Even the *Herald*, though a friend of Mr. Cleveland, has held that a lack of a certain tact and diplomacy on his part, in his relations with the Democratic members of the two Houses, probably contributed considerably to such result. We believe that Mr. Cleveland's actions neither materially aided such division of the party, nor could his efforts, however exerted, have prevented such division.

We believe in the science of sociology: that every movement in a society or nation has adequate causes just the same as every phenomenon in the physical world; in fine, that no effect in either is without its efficient causes or antecedents. The action of a people or party, in the average and in the long run, especially where universal suffrage rules, can rise no higher than the average intelligence of the units endowed with such suffrage. The same is true of a government of a nation, or of a party, in regard to any particular question when such question is emphasized and made an important issue.

In all eras and in all countries, the economic fallacy of

curing bad times by a resort to inflation of the currency, even though that inflation be with bad or a wholly or partly fiat currency, has been wonderfully attractive to those not well versed in economic science. To be able to resist such fallacious temptation requires, in times of great commercial depression, on the part of the individual, a considerable education in the science of political economy, or a very thorough and practical acquaintance with the subject of banking and general business. A man may be well informed in other respects and be very deficient in his knowledge of political economy. The natural tendency of the mind uneducated in financial matters, as all history shows, is to freely accept the fallacies of inflation and fiat moneyism. The tendency becomes very strong in times of great depression, when prices are low and money seemingly scarce—and such tendency is much aggravated by the violent and passionate appeals of selfish demagogues.

Now, what were the conditions in 1896? It was a time of great business depression. Prices of all products were exceedingly low. A large number of Democratic politicians, some selfishly, some honestly, were actively preaching the merits of free coinage of silver as the panacea for all our business ills, and to a constituency who were sorely distressed and in their misery anxiously seeking for some remedy for their grievous condition. A vast majority of the Democratic voters in the South and extreme West were not trained to a proper understanding of political economy, and were made, by the prevailing business depression, prone to accept any possible remedy. This feeling that was aroused was much inflamed by the constant and vehement assertion, by demagogues, that the sound money movement had for its purpose the enslavement of the people by capital.

The Democratic politicians who had the proper economic training or knowledge, knowing all these facts, after some active effort thoroughly understanding the utter hopelessness of educating the public sentiment of the party under such

adverse conditions (for the principles of solid finance are a science not to be easily mastered), finally either stuck to their convictions, and necessarily retired from political activity; or else, actuated by less earnest convictions, or by a slighter appreciation of the importance of the question, waived their objections and more or less passively went with the majority.¹

We hold that these general conditions, so briefly stated, in spite of anything that Mr. Cleveland either did, or could have done, inevitably produced the split that occurred; and that the want of sufficient economic training in the great masses of the party in the West and South, under the great stress of the financial depression, necessarily brought about these results. The same tendency was at one time shown in regard to the greenback question. The very fact that the Democratic voters in the South and West were in the average men of a good deal of education and information and habituated to a more or less extent to think and decide for themselves, contributed to the final result. Had they been like the mass of the negroes, led by a few men, they might have been managed by such authority to accept either side of the issue. But the fact of their manhood and independence of character gave positive force and vitality to their choice and prevented them from being led or influenced by outside leaders. One may well ask why was not the Republican party necessitated by the same conditions into the same lines of action. Simply because in the North and Central West,

¹ To quote from a further discussion written by Mr. Clay: "It is absolutely necessary that a person be well grounded in the simple and elementary theories of finance and value. No science so affects and underlies nearly all questions of vital legislative enactment, and none should be more studied by the politician and statesman. How great a lack of knowledge of the simplest and plainest truths of the science is continually shown by our Senators and Representatives! In fact, for one of them to have such knowledge is the exception rather than the rule. Very likely our republican form of government with universal suffrage is to blame for it. The Representative cannot in the average rise above the average of his constituency in his ideas and views. He may far exceed their average in ability, but finds it as a necessity to his continuance in political life to faithfully represent his constituency's views, passions and prejudices, and more especially the last. So knowledge that is not shared by the majority of his constituents is more in the nature of a burden than a benefit to the active politician. So after all in all probability the only way reform in this matter can be brought about, will be by the slow and gradual process of a general education of the great masses of the voters in regard to these subjects. As the people generally realize the importance of these principles, they will gradually enforce upon their political representatives the necessity of having a like knowledge."

where the influential members of the party reside, a greater commercial and a more complicated business activity has given a better understanding and appreciation of the supreme importance of a standard of value of the greatest possible stability. In other words there has been a better training, in the average, of the people in financial matters. Also the fact that these sections had accumulated much more capital, not so much in land but in forms to be much affected by a deteriorated and debased legal tender currency, no doubt, enhanced the importance to them of a stable standard of value.

Let no one suppose that we cast any aspersions on the general intelligence or the political honesty of the Democrats of the South and West. Political economy is a science and, like all other sciences, has to be studied to be understood. This is a day of subdivision of labor, research and attainment. It is no reflection on a man's general intelligence and character, that he does not understand chemistry. It is certainly no aspersion on a great editor's intelligence that he has to consult a lawyer as to his lawsuits; and so it is as to any particular science. Finally the fact that the South and West in the average did not possess the knowledge of finance, possessed in the average by the North and the East, does not mean that their general intelligence and faculties are any less, but are simply developed in other directions according to their environment and necessities.

We are no hero worshipper, and believe that at least in our day and generation, where so many men are equipped to do their own thinking, and where the forces of civilization are so many and complicated, that individual men count for but little, and that the mighty forces that work our weal or woe are the accumulated power of millions of minds in the past and present, combined with the impulses that continually spring from environment and ever changing physical conditions.

WHY CONSERVATIVE DEMOCRATS SHOULD VOTE FOR TAFT.¹

We have been asked why we support Taft and oppose Bryan. We have two controlling reasons why, as sound money conservative Democrats, we cannot support Bryan. In the first place, we believe one of the greatest dangers to our country in the future is the continuous growth and development of socialistic and communistic influence. The great fight of the future is, we fear, with Socialism. We believe Mr. Bryan's views, in spite of his personal denial to the contrary, which is now necessary to hold conservative votes, advance the cause of Socialism and lead gradually to a Socialistic republic. We believe in our form of well balanced, constitutional, representative government, in which individual rights are amply guaranteed and protected, and individual development promoted. We consider an absolute or unlimited democracy no better than a one-man despotism; nay, even worse, for the despotism of the mob is worse than that of one man. The Democracies of the past illustrate the evils of unbridled democracy in which there is no check on the instant will of the mere majority. The great glory of our forefathers of the Revolution, in establishing our form of government, was that, while they preserved the spirit and substance of democracy, they imposed checks and restraints upon the will of the mere majority, so that its sudden injustices, passions and instabilities were eliminated, and its final will tempered down to justice and wisdom. They divided

¹ Written and circulated privately as a pamphlet, and later, by request, as a campaign document in the Presidential contest of 1908. This and the newspaper article that follows in answer to Judge Lindsay were published with the anonymous signature, "Conservative Democrat."

the delegated powers of the National Government (and about the same way in regard to the undelegated, of the States) into three equal and independent departments, and provided that neither of these should exercise any of the powers of either of the others. As you well know, these departments are the Executive, Legislative and Judicial. The Legislative department was divided into two bodies, elected for a different term and by a different constituency, each having a veto upon the other. Also the Executive was given a qualified veto in legislative matters. In addition they gave to the courts the duty, among other things, of keeping all within their constitutional limits, and above all they placed a written constitution in which certain rights of the individual and the states were placed above the power and control of any or all of these departments, or that of any mere majority. As a matter of course, there was a way prescribed in which this constitution could be amended. As a consequence, we have a stable and well regulated liberty. Any attempt to break down these guarantees and balances can lead only to a less stable and less protected liberty for the individual. The individual needs less the power, along with mob, to impose upon others, than protection in the enjoyment of his rights of life, liberty and property. We take it that the two candidates for the Presidency, in their views, opinions and characters, are mainly their own platforms, and the mere formal platforms to catch votes are far less important. As illustrations of Mr. Bryan's tendencies toward Socialism and the breaking down of Individualism are his views in favor of governmental ownership of railroads, his Initiative and Referendum, his election of Senators by popular vote, his governmental guarantee of Bank Deposits, his breaking down of the powers of the courts in limiting their power to punish for contempt, and other opinions of the same kind. We have not space to elaborate these points, but their tendencies are apparent.

We will now proceed to our second point, viz.: that Mr.

Bryan's election threatens the business stability of the country and its prosperity. In 1896 he was a rampant Free Silver advocate, claiming that the fate of the country depended upon the success of his propaganda, and that the direst consequences would follow any other course. Among other foolish things that he proclaimed, he declared that Wheat and Silver kept together in value, and that, if Free Silver did not prevail, Wheat would never again rise above fifty cents per bushel in value. He made other as foolish and equally as fallacious prophecies. The trouble with Mr. Bryan was that he had never studied real Political Economy, and all his views on business questions were more or less poisoned with the fundamental fallacy that the fiat of the government made value, whether it promised to pay in something valuable or not. All his views on political economy and business are more or less vitiated by this fallacy of governmental fiatism and, should he be right on any such question, it would be more in the nature of an accident than from the force of sound reasoning.

In other words, from our past experience of him, we have no confidence in his judgment about business questions, and if he should be elected President, we very much fear that some financial crisis would arise, to meet which a well trained, economic judgment would be required, and in which Mr. Bryan might be found lamentably lacking. What would Mr. Bryan do, for instance, if he had to meet the situation that confronted Mr. Cleveland's second administration when he had to sell bonds for gold to support the credit of the country? Again, there is a great difference between Mr. Bryan's views about the regulation of corporations and Judge Taft's, and we again take Mr. Bryan's views before his nomination and not the platform. Judge Taft, fully appreciating that large aggregations of capital are inevitable results of our material, mechanical and scientific development, necessary also, in order to produce, manufacture and transport as cheaply as possible in order to successfully compete with the other na-

tions in the markets of the world, where our continually increasing surplus must be sold, yet at the same time understands and is much impressed with the abuses that have arisen under this system, and he believes in regulating these corporations to effectually prevent these abuses and to protect the public, and at the same time to give reasonable justice to the corporation. This is what may be appropriately called Constructive Regulation. This in the long run is in the interest of both the public and the corporation. It takes from the Socialist his main argument in favor of his system, the excesses and abuses of the corporate power, and insures to the public the advantages without the abuses of the system. Mr. Bryan, on the other hand, in one of his speeches after his return from Europe, declared that the man who advocated the regulation of trusts and monopolies (and he has never clearly defined them, and the natural inference is that he meant all large corporations) was the enemy of the people, and instead of being regulated they should be destroyed. This might appropriately be called Destructive Regulation. The difference between these two positions is as wide as the poles are apart. Nearly every man is for some sort of regulation of corporations, but the greatest difference of opinion is embraced in the wide range of possible regulation. Mr. Bryan and his friends are fond of confusing these distinctions, and thus improperly classing Roosevelt and Bryan together, in order to give respectability to the latter's opinion, heretofore so discredited before the business world. Now if the commencement of constructive regulation of corporations by Roosevelt, as many claim, helped to bring on our recent panic and financial depression, what, in all probability, would the carrying out of the destructive regulation of corporations and business under Bryan produce? Surely, one of the worst and most prolonged financial depressions that ever afflicted this country. Right here let us say a word in regard to labor. The laborer is more interested than the members of any other class in the smooth running of the financial system.

Only when business is prosperous, and capital not intimidated and driven to cover, is employment general and the laborer not out of a job. Any financial jar or depression curtails production and takes away employment from the laborer. Whenever the greatest amount of production or work is to be done, the competition for labor is the greatest, and wages the highest and employment continuous and certain. It is far better for the laborer by good wages and continuous employment, to have no occasion to strike, than to be slightly aided, if at all, in a strike, by weakening the power of the courts to protect the rights of life, liberty and property. Labor certainly cannot afford to stand the crude and radical experiments of Mr. Bryan in business matters, and their certain and inevitable results, disaster and curtailment of wages and employment.

Considering these points, which we have very briefly discussed, we cannot, as conservative Democrats, support Mr. Bryan. Mr. Watterson says, if he can support Mr. Bryan, he does not see how any other Democrat can refuse to do so. We refer to this simply because he asks the question. He tells in an editorial that his paper lost \$500,000 by the campaign it made against Bryan in 1896. It is evident that the paper cannot well stand another such loss. The constituency of the *Courier-Journal* is mainly Democratic, and not to support Bryan would entail a great financial loss upon the paper. Hence the business interest of the paper requires its present course and, while Mr. Watterson may be very conscientious in his present advocacy of Mr. Bryan, still there is also a compelling business reason. With a good many of us it is different. With a much less strain upon our business interests, we can act independently. We desire to claim no extra virtue, but simply to explain the difference of the strain and temptation in our respective cases. Some one will say, as tariff reformers, how can you support Mr. Taft, more or less a Protectionist? Mr. Bryan has never seemed to attach much importance to tariff reform, completely shelving it as an issue

in 1896. To show how little he has studied the question from an economic and philosophic standpoint, the other day, when he made his tariff speech, he never even referred to the economic argument against protection—the one made by all the great political economists as the only one that is comprehensive, logical and conclusive, viz., that all trade between two or more parties depends fundamentally, as certainly as the flow of water or gravity, upon a difference of relative efficiency in producing the commodities mutually exchanged; and that, consequently, any curtailing of the freedom of exchange necessarily results in a loss of efficiency in both the capital and labor employed; and the greater the interference, the greater the loss to both. We have no time but to barely hint at, or suggest this argument. All the students of political economy will understand. As a matter of course, any theory has to be applied practically with a due regard to the existing facts and conditions of the situation. So we take it, as tariff reformers, we cannot expect much from a Presidential candidate who does not even seem to understand the economic argument in favor of tariff reform, and who, in his previous races, has always sidetracked this true Democratic issue in favor of some false or Socialistic program, and also upon whom finally the responsibility for the defeat of tariff reform, as advanced by Cleveland, Carlisle, Wilson, Watter-son, Breckinridge and others, after its partial victory in the Wilson bill, rests more heavily than upon any other. For he put it aside at its almost successful culmination, giving up the true faith for false gods, when we might have won; and a great part of the education of the people made by those great men, at the most strenuous exertion of their best talents, was lost.

In addition and conclusion, as between Taft, with his conservatism, patriotism, enlightened independence and splendid executive equipment, and Bryan, with his pleasing and engaging personality, magnetism and splendid stump oratory, but unsound business views and apparently plausible

and insinuating demagogism, the choice of the Conservative Democrat should be plain. The only way to rescue the Democratic ship from the shoals of Socialism and business uncertainty and disaster is to repudiate the captain who is guiding the ship upon these shoals.

CONSERVATIVE DEMOCRAT, IN ANSWER TO JUDGE LINDSAY.

"'Conservative Democrat,' whose recent pamphlet, printed for private circulation among his personal friends in an adjoining county, the Leader took the liberty of reprinting, has written a strong reply to Judge William Lindsay's Lexington address of last Monday, and has followed it up with convincing affirmative arguments in favor of the election of Judge Taft. The writer, as the Leader explained before, is one of the most eminent citizens of Kentucky, a man who has held high political position; and his appeal to conservative Democrats to continue their attitude of hostility to Bryan and Bryanism has attracted wide attention."—*The Lexington Leader*, Oct. 17, 1908.

We have carefully read the Lexington speech of Judge Lindsay as published in the *Herald*, and would like to discuss briefly the more important points made by him. His first contention, is that Roosevelt nominated Taft, and that without his aid Taft would not have been nominated, and that now Roosevelt is trying to elect him, all of which he claims is very wrong. As a matter of fact, Taft would have been nominated without Roosevelt's aid. His prominence before the people as a wonderfully well equipped man for the Presidency would have nominated him. Roosevelt's assistance did good with some, with others it did injury. But surely with his tremendous margin of majority he would have been nominated anyway. The office-holders in a majority of cases supported him as they naturally should, he being in the public eye, and commending himself to them by his superior fitness and worth; and that they did support him is to their infinite credit, as patriotism demands from them as from others that they make a conscientious selection to fill so important an office. As a matter of fact the office-holders, as in case of others, were divided in their choice, and no doubt many of

them did not support Taft. In our own State, Collector E. T. Franks and his corps of assistants favored Fairbanks and carried the Second District for him.

That Mr. Roosevelt, with a most intimate acquaintance with Taft, should so warmly endorse him, is most assuredly a great testimonial in favor of his fitness for the place and a most approved guarantee that Mr. Taft is most loyally in favor of the great reform policies, but now only partially carried out, as advocated by Mr. Roosevelt, and deemed by him so essential to the welfare of the country. Mr. Roosevelt considers these policies but commenced, and well knowing the vast amount of stubborn opposition that they are to encounter, deems it a matter of patriotic duty to do his best to fully execute this program in order to properly serve his country. Andrew Jackson, Jefferson and maybe others, have done the same without anything like equal justification. To say that Roosevelt, after his unselfish and patriotic renunciation of the nomination and the Presidency, is now trying to enslave his countrymen, is to lend one's self to swell the clamor of selfish demagogues and reckless agitators.

In regard to the injunction plank of the Democratic platform we have, in reply to Judge Lindsay,¹ only one remark to make. As a justification of this plank he quotes the Kentucky law somewhat favoring this principle. Not to discuss the question, does not this illustration hurt rather than benefit the case? Is it not a fact, although we have able and honest judges, that nowhere else is the law as feebly and as tediously enforced as with us? Where is there less protection to life, liberty and property than in many parts of Kentucky? ² I do not say that this is solely attributed to this cause, but a large part of it may be. If our Judges cannot command respect for their courts except through the tedious and uncertain action of juries, a part of whom may be aiders and abettors of

¹ Referring to the plank, adopted at Denver, to weaken the power of the courts to restrain by injunction.

² "Night-rider" outrages in the tobacco section, and feud lawlessness in the mountains were instances of all too recent occurrence.

the very lawlessness that the Judges in the enforcement of the law are trying to suppress, then indeed is one of the causes of the continuances of such lawlessness explained.

As to Judge Lindsay's scattering points on the tariff, we, ourselves tariff reformers, ask what are we to expect in the way of tariff reform from Mr. Bryan, a man who in his past canvass has always sidetracked this issue in favor of some populistic and visionary scheme, and who has shown by all his previous performances that he is utterly inadequate to handle properly any business question? With the Senate composed as it is, with a strong Republican majority, Taft can probably do more to reduce, in the average, the tariff than Bryan could possibly accomplish. Judge Lindsay's resentment at the passage of the Dingley tariff act, as a piece of treachery on the part of the Republicans to the gold Democrats, is a little out of place as regards himself, since he confesses that he did not vote for McKinley in 1896, but for General Palmer. He was only a half-hearted opponent of Bryan who cast a half vote against him. Had a few more "Half-Breeds," using a historical designation without any discourtesy to Judge Lindsay, whom we greatly esteem, voted as he did, Bryan would have carried Kentucky. A great majority of the sound money Democrats, ourselves included, fully appreciating what we were doing and willing to take the consequences, voted for McKinley as a choice of evils, feeling that such action was demanded by patriotism and by a due regard for the welfare of our country. We might have had a right to complain about the tariff matter, but Judge Lindsay has not.

The wisdom of our choice was fully justified by the results. All the direful prophecies of Bryan were falsified and an era of unexampled prosperity followed. So, if we had it to do over again, under similar circumstances, we would certainly vote so again. There would have been, however, one silver lining to the cloud of Bryan's election, had he been then successful. Bryan and Bryanism, having been actually test-

ed, would have been thoroughly eliminated from American politics; and the Democratic party, purified by trouble and disaster, would not now be afflicted by Bryan and Bryanism. As it was, Bryan's disastrous defeat expelled from public life, where political reputations are made, all Democratic Governors and United States Senators from the Northern States; and, as the Southern leaders were modest, this left him a perfect monopoly of leadership in the party to its harm and detriment. His theories not having been exploded by practice, he can still claim that they were good.

On the true question Judge Lindsay's objection to Roosevelt and Taft is not that they have tried to do too little, but too much, claiming that the National Government has only power to regulate when corporations engage in interstate commerce. In regard to his suggestion to put all trust-made and trust-used articles on the free list, such action would injure the weak along with the strong, and would be found almost impossible of practical application. Probably most of the largest trusts would not be at all affected by it.

Having discussed the points made by Judge Lindsay against Judge Taft, we shall now very briefly give a few reasons why we oppose Mr. Bryan.

First, we believe he is Populistic and Socialistic in his tendencies and sympathies, and we judge him not by the platform which was made to catch votes, but by his previous utterances which are more important, as they reveal the real man. As illustration of this, we refer to his governmental ownership of railroads, his initiative and referendum, his election of Senators by popular vote, his governmental guarantee of bank deposits, his effort to weaken the power of the courts to punish for contempt, and thereby protect the rights of person and property, and his ceaseless efforts to array capital and labor against each other.

Secondly, we believe his election threatens the business stability and prosperity of the country. In 1896 Mr. Bryan was a vehement and enthusiastic advocate of the free silver

program, making it substantially the sole issue of the canvass, and he claimed that the most disastrous and direct results would follow its defeat. He uttered all sorts of silly and fallacious prophecies of what would take place in case of the defeat of his predominant issue, all of which were proven false by events. Mr. Bryan, like a good many others who have never studied political economy and sociology or only superficially, is pervaded mentally by a governmental Fiatism or a supernatural belief in the efficacy of governmental say-so, that vitiates all his opinions on business questions and renders them entirely untrustworthy. From our past experience of him, we have no confidence in his judgment of financial and social questions, and should he be elected President, we very much fear that emergencies would arise, that he could not, as President, wisely meet.

In case of such a situation as arose in Cleveland's second administration, when in order to sustain gold payments, it was necessary to sell bonds for gold, what would Mr. Bryan do? We assume from his criticism of Cleveland and Carlisle that he would not do as they did. To minds of men trained in finance and business the disastrous consequences of such action would be tremendous. Again, under similar circumstances to those of 1896, would Mr. Bryan in the next four years still favor the free and unlimited coinage of silver? As he has stated that a question is never settled until it is settled right; and as he has never in the slightest degree recanted, we certainly presume that he would.

It has been Mr. Bryan's extreme good luck, as Governor Hughes of New York so well says, that his wild and visionary views of the last twelve years have not been practically tested. Had they been put in force, their calamitous and disastrous consequences would have completely eliminated Mr. Bryan from public notice. The probability of conditions becoming under the hypothetical Presidency of Mr. Bryan, similar to those of 1896, would be very great, as his election and occupancy of the position would so disturb business as to

practically bring about a situation at least as bad, if not very much worse, than that of 1896.

Again, the views of Mr. Bryan in regard to the regulation of corporations are fraught with immense danger to the business world. In one of his speeches after his return from Europe, he said that the man who spoke of regulating the trusts (and he has never clearly defined them, and the fair inference is that he means all large corporations) was the enemy of the people, and that instead of being regulated they should be destroyed. The makeshift and the compromises of the platform are a little different, but we consider Mr. Bryan's real views more important. An effort to carry out these views of Mr. Bryan would cause widespread disaster, and long continued depression to the business world. Business interests are so complicated and interwoven that any disaster to a large class of business would finally involve the whole financial fabric in depression and ruin.

It is right here that the interests of labor are most concerned. The law of supply and demand applies to labor as to all other things, and the demand for labor can only be great and wages high when prosperity is general and capital fully employed as a wages fund and not intimidated and driven to cover. We take it that labor is more vitally concerned in the prosperity of the business world than any other class. While it may be very well, if this point of prosperity is assured, for labor to gain such other points in its favor as are not harmful in principle, still it is much better to secure prosperity, good wages and continuous employment, than to risk all these in order to be slightly aided, if at all, in a strike, by breaking down the power of the courts to efficiently protect the rights of person and property.

In consideration of these points we think all conservative men, both business men and laborers, should vote for Taft.

Judge Lindsay congratulates himself and the party upon a reunited Democracy under Bryan as its leader. We grant

that a good many gold Democrats are now supporting the Bryan ticket. Among these are included a good many newspapers who do so, in many instances, from business necessity, their subscribers being principally so-called regular Democrats. Also there are a good many politicians, who cannot longer stand the strain put on them by principle and patriotism, without any hope of office to brace them up. Also, no doubt there are many who from their standpoint are doing their duty—for among intelligent men there are different points of view—and lastly, there are a good many who thoughtlessly or indifferently drift with the current.

On the other hand there is a great band of independent thinkers and solid business men, who do not seek office, but are solely interested in the good of the country. Men, who consider party not as an end in itself, but only as a means to good government. These men do not have any confidence in Mr. Bryan, but from their past experience of him believe him a dangerous and socialistic agitator, whose election threatens great disaster to our country, and they do not propose to be Bryanized and give up life-long opinions and convictions for the sake of a name that no longer means Democracy as they have been taught it.

SPEECH ON THE TOBACCO QUESTION, MADE AT PARIS, AUGUST 2d, 1909.

I speak with reluctance on account of my physical condition, but am impelled to do so by force of conscientious conviction and the gravity of the situation. I believe that the movement,¹ at least as far as white Burley is concerned, has been based upon a wholesale misrepresentation and exaggeration of the facts in the case, the speakers for the Equity being mainly politicians and not tobacco raisers, giving hearsay and imaginary figures and statements which, on account of the widespread intimidation, have not been answered and corrected by those who knew better. In fact, nearly all their prominent speakers of the last two years, who seemed to be so enthused with love of the farmer and tobacco raiser, were, in fact, as the result proved, simply running for Congress. In this campaign the speakers are, or have been, the salaried employees and officers of the society.

There is no commodity about which misrepresentation is easier than tobacco; the prices of different grades vary greatly and the prices of the same grade vary at different times. Also the price varies greatly as between heavy winter order and summer order; so at any time by comparing the sale of

¹ The circumstances of the tobacco troubles of 1907-10 are too well-known in Kentucky to need repeating. To speak briefly, the Burley Society and the American Society of Equity were formed for the purpose of raising the price of tobacco, "in order to secure fair and remunerative prices to the growers." It was claimed by the advocates of the Equity that the Tobacco Trust, represented by the Continental Tobacco Company, had contrived to depreciate the price of tobacco and to defraud the grower of the just profits of his labor. The crops of 1906 and 1907 were pooled, and as a large amount of pooled tobacco was on hand and sold, that of 1908 was cut out by an embargo of the Society on production, which caused much lawlessness and disorder. Many independent growers were either not financially able to stand the loss caused by the cut out of the crop, or else were not disposed to enter a combine of which they disapproved. Scraping of tobacco-beds, barn-burnings and the most flagrant outrages upon life and property were the result in the more lawless parts of the tobacco-growing section. The present speech was made at the Court House in Paris at a meeting of the Bourbon County growers. It was proposed by the Equity to pool the 1909 crop.

low grades with high grades, or the same tobacco at different times of the year, a person may honestly be greatly deceived, and how much more so, when there may be an intention to deceive and the reign of terror prevents any reply.

As far as I can ascertain, and I have taken much pains to ascertain, the average price and the conditions of the farmers and tenants have been grossly misrepresented by the Equity orators. I, myself, have been a tobacco raiser for sixteen or seventeen years, growing each year several crops in partnership with tenants. To give the devil his due, candor compels me to state that I did not do well with tobacco until the Continental Company commenced to buy in this locality, not in any instance getting over eight cents, and generally far less, for my tobacco. So much were we discouraged that we turned two of our barns into cattle barns; but since then we have averaged over ten cents for our tobacco, have made big profit on our land and our tenants have done equally as well, making two or three times as much as they could have made in other business.

We will give a detailed statement of prices later. Our tobacco was sold generally in the first half of January in our own barns, in heavy winter order, delivered at some near point without any expense whatever, except the slight one of hauling, and the payment was made immediately. Now, as one case does not make a rule, I have faithfully tried to find out prices received by others. My neighbors have generally done as well as myself, and some a good deal better. One tenant in the far end of the county has raised twelve crops, and nine cents was the least price and twelve cents the highest he received. Upon the most reliable information we can get from original sources—and in our anxiety to be accurate and do justice we applied to the Continental for its figures in Bourbon County—I estimate that for the last five or six years the average price for our county has been about nine cents per pound, and the most, far more than half, of this tobacco was sold in barn and hauled in loose order, without

other expense, to some near-by receiving point. Finally, I can truly say that no business in this section has ever before been as profitable to the farmer and tenant as tobacco raising for the period of the last six or eight years. As a matter of course there are some improvident men who save nothing however much they may make; but I assert that on land in any way suitable for tobacco the tenant has done far better than he could have done at any other business, and that tobacco land has paid the landlord, after charging up all expenses, from \$50 to \$85 per acre, and in like proportion the tenant.

In a speech made here on this rostrum eighteen months ago opposing the cutting out of the 1908 crop, I stated that the facts, when truly understood, did not justify the pooling of the crop, and the only justification of the pooling of the crop was such a condition of the tobacco business as made pooling necessary in order to get a living price; that as the Burley Society was organized, its members scattered through many counties, and even states, with every possible dissimilarity of condition, financial and otherwise, it was utterly impossible for them to act without friction, delay, negligence and favoritism, and that many and unexpected abuses would surely grow up. I stated that cutting out the 1908 crop threatened the peace and prosperity of the state; that, as it was a fact that not over half at most of the growers were in the pool, and that in order to make the movement of the mere cutting of the crop succeed, the remaining 50 per cent. of growers would have to be persuaded and intimidated; that it would be impossible for them to agree upon such a policy on account of dissimilarity of opinions, conditions and necessities, some being able to hold their tobacco, some having to mortgage their crop before it was raised, and others in conditions too numerous to mention. Such agreement being impossible, it then becomes necessary, in order to succeed, for various kinds of intimidation to be resorted to, mild and peaceful and law-abiding, but soon degenerating into vio-

lence and lawlessness by the more ignorant and less restrained members of the pool.

I stated then, eighteen months ago, that any policy that tended directly or indirectly, intentionally or unintentionally, to violence and lawlessness, was to be condemned by all just-minded and patriotic persons. All our rights of life, liberty and property are based upon and made good by the enforcement of the law; and I could not see how any man, who is interested in the solid and true interests of the country, could countenance any policy that leads even indirectly, but in this case inevitably, to violence and disorder. Violence and disorder, when once begun, breed numerous broods of progeny which not only affect the tobacco business, but every other interest of society; and no man may see the end of such feuds thus created.

In addition to the above, I said at the same time, eighteen months ago, that, if the cutting out of the crop was effected, there would be three important results: First, it would encourage the raising of tobacco in other sections of the country beyond the influence and intimidation of the Equity Society; and there were various parts of the country where it could and would, in many cases of extra quality, in all probability be raised, and we could do our tobacco interests here in Kentucky incalculable damage by raising up formidable and dangerous competition by this short-sighted policy.

Now, what was the result? All that I spoke of as possible has come to pass, and this year's crop will be hard to sell on account of the great increase of tobacco outside of our old Burley district.

Secondly, I stated that the policy of the Burley Society would drive out of the state many of our tenants and the men employed by them, a great and undeserved hardship upon them. By permitting them to raise tobacco, a business in which they were very proficient and could earn two or three times as much as in any other business, a small quantity of land relatively could support a large number of them, while

if they were forced to raise corn or other crops it would require several times the number of acres to allow them the same profit, so that necessarily many would be forced to leave. Everybody knows that such was the result.

Thirdly, I stated that it would bring on disorder and lawlessness throughout the Burley district. Such prediction has been amply verified. Brutal whippings, barn-burning and all sorts of outrages and even murder have been committed with impunity. All free speech on this question has been practically denied;² and any statement of Equity orators, however exaggerated or wild, has gone without any public denial or refutation, such impunity adding to the exaggeration and misrepresentation of such statements.

Now from this date on I hope it will be very different. Let us see what are the financial results of pooling the 1906 and 1907 crops, leaving out of account for the present all the other disastrous results of which I shall presently speak. Of the 1907 crop, giving way to the desires of two of my tenants in Bourbon County, we placed two crops, comprising twenty-four acres and thirty-three hogsheads, in the pool, three other tenants not going into it. Nothing is so deceptive as tobacco prices unless you know all the conditions and circumstances. Twenty-seven hogsheads of this tobacco has been sold and 90 per cent. of the price paid us, and putting the other hogsheads at average price, the whole will average 16.59 cents per pound. Now let us see what it will be when the proper reductions are made. I have heretofore, for the last eight years, usually sold my tobacco in the first half of January in heavy winter order in my barn, with the only expense of hauling it in loose order to be delivered at some near point; and I shall compare prices upon the basis of selling tobacco as usual to be delivered the 15th of January. As

² In a further discussion of this subject it is said: "I wrote in February, 1908, a moderate and conservative article on the tobacco question, but was advised by discreet friends to whom I showed it that it would be foolhardy and unwise to attempt to publish it. Mr. Clift of Mason had the manhood and audacity to answer one of M——'s numerous effusions, and the next night, so the newspapers stated, his tobacco-bed was scraped and a grave dug as a warning to him to forbear."

I was very anxious to be fair and right about this matter I showed my figures to the president of the Bourbon Equity Society, and he could make no valid objection to them. I do not wish to speak for the hour, but for tomorrow and the hereafter, and do not wish to take any advantage of the Society. I owned a third of this tobacco:

THIRTY-THREE HOGSHEADS AND TWENTY-FOUR ACRES IN POOL OF
1907 CROP.

Sold 27 hogsheads, my third received	\$1,395.13
Not sold, 6 hogsheads, my third put at average price..	318.02
Total received and estimated	<u>\$1,713.15</u>

LIST OF EXPENSES.

Insurance three times on one-third \$1.50 for four months	\$45.00
Prizing October 15, 1908, 12,200 lbs. at 50c. per cwt.	61.00
Storage at price fixed by Equity, 25c. per month on 11 hogsheads for 13 months	35.75
Interest on the above 3 items until repaid by sale of tobacco, underestimated	3.00
Total amount of expense.....	<u>144.75</u>
Leaves after paying these expenses	\$1,568.40

Interest at 6 per cent. on capital held in tobacco from January 15, 1908, to May 15, 1909.....	\$116.18
\$1,568.40 minus \$116.18, the value Jan. 15, 1908.....	1,452.22
One-third of 24 acres equals 8 acres.....	1,452.22
One acre	181.50

Whatever may be received from 10 per cent. reserve fund to be added.

What my tobacco brought in previous years early in January, in the average:

1902—10.40 per lb.; per acre	\$180.77
1903—10 plus per lb.; per acre	209.97
1904—11½ and 12½ per lb.; per acre, 3 crops average \$218.09, and 2 crops \$250.00	228.72
1905—6½ to 9¾ per lb.; per acre, 3 crops \$165.28, and 1 crop \$95.46	141.95
1906—10¾ per lb.; per acre, 3 crops \$174.77, and 2 crops \$176.34	175.39
1907—11¾ per lb.; per acre, 3 crops	228.47
Average for 1902, 1903 and 1904.....	206.39

What did the pooled crop, which sold at \$16.59, bring January 15, 1908, the time I generally sell?

In October an acre weighed	1,522½ lbs.
An acre weighed January 15, 1908 (estimated).....	1,800 lbs.
Price, January 15, 1908	10.08 cts.

REMARKS ON CALCULATION.

The pool and crop was composed of one crop of eighteen hogsheads of strictly No. 1 quality, better than that sold for 12½ cents, or \$250.00 an acre in 1904, being raised by same parties, and the balance of fifteen hogsheads was a fair crop of sound tobacco and good weight. The calculation of money received and expenses that were legitimate, and comparison of January 15, 1908, with final value, were shown the Burley president for Bourbon County. Now, I claim that, if no part of the reserve fund is paid, this tobacco that sold for 16.59 cents in the pool only nets 10.08 cents on the 15th of January, 1908, and also that this reduction of nominal value not only refers to my crop, but to every crop in the pool, whether in the Blue Grass or elsewhere, and that every crop should be legitimately charged with the same percentage of expenses. It makes no difference whether the owner himself furnishes all or a part of these items of expense, or he gets somebody else to do so; and I defy anyone to show that they are not equitable and necessary charges to be made in

any correct calculation. I have also a calculation made in a bill made out by the Equity on a 1906 crop in the pool. This crop of 3,120 pounds was appraised, when delivered to the Equity, at 17.30 cents per pound, or \$540.67. The expenses charged by the Equity amounted to enough to leave the net amount to the owner \$383.38. This tobacco was delivered to the Equity, February 25, 1907, and paid for at the end of two years, so far as I can determine from the account. Discounting \$383.38 for two years, and it equals \$342.30, which equals about 10.9 cents per pound. In this case all the reserve but 1¼ cents was paid. So you can see how deceptive the figures of the Equity are and how they give false impressions of value.

Now, in regard to our pooled tobacco, after making the proper reductions, it amounts to only \$181.50 per acre, or about 10.08 cents per pound, to be increased by any part of reserve that may be paid. As compared with other years, the average price per acre is a great deal less than the average for the years 1904, 1903 and 1902—that average being \$206.39. These three years were before any pool had been formed, the first pool being on the 1906 crop. It is also a good deal less than the average for the six years of 1902 to 1907.

This calculation reveals another thing, that out of thirty-three hogsheads, six have not been sold and paid for. In general figures I have been told by the officers of the association that there were about 60,000 hogsheads in the 1907 pool. Three-fourths of this was to go to the Continental, which paid promptly, and one-fourth to the Independents. Now, instead of calling at least for twenty-four hogsheads of our tobacco, they asked for twenty-three, leaving back ten, instead of nine hogsheads, as they should. Then, I understand, there were about 4,400 hogsheads allotted to the Independents, who failed to take it. On this basis not over three hogsheads of ours should have been left on hand unsold, instead of six.

I have in the last eight years delivered my tobacco, and always immediately received payment. This pooled tobacco was sold last October or November, and yet not paid for. If I should individually have sold my tobacco last fall and not yet received payment for it, I think my friends should apply to the court to have me declared incapable of attending to my business and to have a trustee appointed to take charge of it.

Notice one more thing about the calculation: That my tenants who did not go into the 1907 pool got more for their tobacco than those that did. Now, as we have shown that financially the pool was no such success as claimed for it, let us see what are the other results of the society's policy. In the first place, by cutting out the 1908 crop we have lost all profit that would have come from that crop, and the labor that would have produced it is to a great extent thrown out of employment, and in many instances forced to leave the state. Secondly, we have driven our largest and best buyer out of the state. The Continental Company had established warehouses at our county seats, so we could sell them our tobacco at home without the uncertainty and expense of shipping to far-off markets. They have sold out their property and left the state, so far as I know. I was talking the other day with one of our best farmers, and asked him if he had sold his grass seed by the territory ungathered. He replied that, as he had a son old enough to learn business, he could not afford to do so for fear that his son might do the same way. He was wise. Exercise develops faculty. The only way to keep up the character of our people in judgment, self-reliance and manhood is to give them the opportunity to exercise these qualities. By turning over our business to a committee of managers, or maybe to one boss, as this new pledge indicates, we tend to make babies and weaklings of our people. There is no more certain and surer entering wedge to socialism or communism. Another evil result of this Equity movement has been a substantial denial of free speech. Any policy must be fundamentally unsound that demands as one of its

necessities the suppression of free speech. Our colleges, schools and our various means of cultivating the mind are all intended to teach us to think for ourselves. In the conflict of reasonable debate and discussion error is gradually eliminated, and truth evolved and strengthened. Any cause that will not submit to this test thereby confesses its weakness and unsoundness. Again, the policy of the Burley trust or society has very much increased the production of tobacco outside of our Burley district. Reports from Missouri, Illinois, Indiana, Ohio, West Virginia, Tennessee and also the outlying counties of Kentucky, all speak of much increased production. The tenants and workers that you drove out last year are valuable assistants in this development. The extravagant figures of the Equity orators in regard to prices have, no doubt, very much aided this movement. The hen that laid the golden eggs has been badly crippled, if not killed. Again, whether intended or not, they have produced a crop of violence and lawlessness which has brought shame and humiliation on every patriotic Kentuckian as well as financial disaster, and which crop, I fear, may be perennial unless we arouse ourselves to a full realization of the situation and determine to take the necessary measures to extirpate it. The only reason why Bourbon County and a few other counties have escaped the most of this lawlessness has been the forbearance of the independent tobacco growers, and their refusal to exercise their legal rights in the control of their property and business. The Equity men were their friends and neighbors, and for once they were willing to help them out of the hole into which their policy had placed them. The Equity has even prostituted, or attempted to prostitute, the legislation of the state by special acts to carry out their purposes of domination and despotism. By one bill they made a breach of contract a misdemeanor, in order to control with a rod of iron their own refractory members. By the McChord bill—one of the worst measures ever presented to a Kentucky legislature—they provided that no person or corporation could buy to-

bacco in Kentucky unless licensed to do so by a certain official or officials who, as a matter of course, were to be elected in the interests of the Equity, or, if not elected, to be so influenced. Every instinct of statesmanship and enlightenment was against this bill. What we need is more buyers, not fewer. If we had our choice, it would be much better to give a bounty to buyers instead of putting an embargo upon them. This bill, founded in folly and bigotry, was supported by the Equity Society and was personally urged by them upon the legislature, but after passing the House, was defeated by the hardest of work in the Senate. Any man who did not support this bill was denounced as an enemy of the farmer and, in the reign of terror, many were intimidated.

Now, how shall we sell without the pool? I admit that the Equity has made the conditions hard. If, as the Equity claims, the Continental has been making enormous profits, and this claim the government's investigation supports in part, then this very fact—and especially for the future, since the government has established a sufficient amount of the fact—is the best guarantee and security that the Continental will have competition in buying tobacco. There is no natural monopoly in manufacturing tobacco. With the great amount of capital in this country, seeking investment at low rates of interest, competition will spring up like the water in some great and everlasting fountain, whose flowing is rather increased than diminished by drawing the water from it. As a matter of fact, we have had more or less competition for the last six or eight years since the Continental commenced buying in the country, sufficient at least to give us very profitable prices for our tobacco during that period. For about half of that time we have sold to the Independents. Should tobacco get too low, growers on land not suitable for tobacco, where the cost of production is relatively high—and this would include probably a good deal of the new territory—will quit raising and thus reduce the supply and increase the price. If tobacco were to sell too high, so that the consumption at the

price would not take up the supply raised, then the accumulating surplus would be a weight to finally break down the market. A fair price for a commodity is the average price at which consumption or the demand will take up the supply; if the price is too high or too low, the equalization process is bound to go on. "The mills of the gods grind slowly, but exceeding fine."

These forces, embodying the law of supply and demand, work without cost or friction or violence or disorder. On the other hand, the artificial arrangement of the Equity works by the arbitrary dictation of an executive committee or president, taking a man's business out of his own hands; works with all sorts of costs for prizing, insurance, storage, interest, shrinkage, fees and salaries; works with all its bulldozing of individuals and attendant violence and lawlessness. Then, again, as a further means of protection against all trusts, the Continental, as well as the Equity, the last, however well intentioned by its founders, probably the worst trust we have ever had, let us send to the Legislature and to Congress, sensible, practical men, not demagogues, who will pass reasonable laws to regulate trusts. Trust-regulation is a very complicated matter, and even the best men at first and afterward will make mistakes, but let them profit by their mistakes and gradually, as taught by experience, evolve laws that will approximately accomplish the purpose. Then let the people elect honest and fearless executive officers to enforce the law. But, to be honest, we must trust mainly to the law of supply and demand.

The speakers on the other side, in regard to the new pooling pledge for the 1909 crop, give about the same reasons in defense of it that the Czar of Russia would give in justifying his refusal to grant further liberty to his parliament and his people. The details of this pledge will, no doubt, be thoroughly discussed by Mr. Cantrill of the Equity Society.

Now, in conclusion, I want to say I come here with a good many handicaps in the way of physical condition and

voice, but I come solely, if I know myself, in a spirit of patriotism. We are all frail. I can afford to speak the truth, for I want nothing. Mr. Watterson has well said that a man is only a free man when he wants nothing. My mind has been oppressed with a pall of apprehension and dread. I am afraid, if you sign this pledge and form this pool, that with the immense growing crop, especially a large part of it beyond the influence of the Equity, the society at the end of 1909 will find itself in exactly the same situation as in 1908. The Continental will be able to get sufficient tobacco from various sources so as not to be forced to buy.

The impunity with which you cut out the 1908 crop will, when you get again in the hole, encourage you to use the same plan again, and if you do, though I am a man of peace and law and will try to prevent any infraction of either, I am sure from my knowledge of human nature that the people will not again submit to having their legal and constitutional rights of attending to their own business in their own way denied them. The dreadful result of this conflict no man can predict. That this apprehension is not chimerical is strengthened by the fact that the new pledge provides for a permanent organization in the way of a stock company, with highly paid officials as a matter of course, whose self-interest will urge continuous activity, and who will very much increase the probability of the society's resorting to any means to avoid failure in their despotic plans. This apprehension, more than any question of price, has actuated me to come here to-day.

Law and order, peace and good will, and the protection of our rights of life, liberty and property are above price.

FURTHER DISCUSSION, AN ANSWER TO JUDGE O'REAR.

From the Lexington Herald, Fall of 1909.

We have made only one speech on the tobacco question and it has served as a text for criticism and reply from the various speakers and writers in favor of the Equity Society. As we are not in physical condition to answer on the stump, even if we so desired, we have concluded to select one typical speech of Judge O'Rear, and very briefly reply to its main points. We choose the speech or speeches of Judge O'Rear because he is considered by the Equity men as their strongest advocate. Judge O'Rear depends mainly upon two points or premises in his argument. First, he claims that the area of Burley tobacco cultivation cannot substantially be increased, and that we will always control the supply. Secondly, that there is and will be substantially but one buyer, the Continental Company. From these two premises he draws the conclusion that by pooling we can control the market and compel the one buyer to give what we demand. Now this argument refers only to the financial aspect of the question and ignores all social and moral considerations, a matter to which we shall refer later.

In regard to his first premise, such assertion is denied by many facts. As a matter of course any extension of tobacco growing has to take place gradually, because barns have to be built and men trained to cultivate and especially to handle the tobacco. I claim, however, that such extension is taking place as fast as could be expected.

A very reliable gentleman, an old citizen of Bourbon, on a visit to his old home, says that sixty new tobacco barns have been put up in his county in Missouri this year. A contract-

ing firm reports to one of our most reputable citizens that they have put 102 new barns this season in Western Missouri.

A very reliable gentleman, and close observer, who is thoroughly acquainted with the whole tobacco business, and who has handled the Missouri tobacco for several years, and who, having made frequent trips to Missouri, is well and thoroughly acquainted with the situation there, says that he firmly believes that Missouri has as much good Burley tobacco land as has Kentucky; that the quality of the tobacco is as good as the average Kentucky Burley and that the yield is generally higher. The only reason why production is not vastly greater is the lack of barns and trained men. We hear substantially the same thing from all the surrounding states, Ohio, Indiana, Illinois, Tennessee and West Virginia. Even Alabama is sending good Burley to Louisville.

In regard to Judge O'Rear's second point, that the Continental is and will be our only buyer, while there are not as many independent manufacturing companies as we could wish—only 256 of them—still there have been enough to enable us to get good prices for the last eight years, during which time we made far more profit from tobacco than from any other produce of our land, and enough in all probability to insure good prices in the future. The extensive governmental investigation, under Garfield, of the business of the Continental and the Independents, showing the amounts manufactured of each grade, the cost, selling price and profits—all showing a profitable business—will give security and confidence to the formation of a continuous series of new companies of Independents to reap profits far greater than in most other businesses.

The two main premises of Judge O'Rear are therefore faulty and inaccurate and, necessarily, his conclusions, however logical his reasonings, must partake of the same defects probably many times multiplied.

Judge O'Rear speaks like a man not well acquainted with

the practical facts of the tobacco situation, and the inherent weakness of such a pool as he advocates. Social and economic progress does not take place by abstract reasoning, but by the law of evolution, a continuous and gradual adjustment of the "status quo" to the environment of new conditions as they arise.

A pool or combination, though naturally vicious in principle, might from necessity be expedient in one case, and not in another, but the burden of proof is always against it. It might be economically worked without moral harm in some cases, when there was a substantial equality of conditions, intelligence and limitation of members in numbers and territory; and might work very badly on account of many abuses, when the facts are the reverse.

So after all it is not a question of theory alone, but of practical information and knowledge. That the past two pools did not work well, and were comparatively a failure, at least in our district, is conclusively shown by the fact of the unwillingness of their former members to pool their present crop; and this is true, although the greatest pressure by the best speakers and writers has been exerted upon them to do so, and but very little has been said in opposition. A great deal of money, we think, has in this way been illegally spent by the Equity Society.

The people now understand that the so-called "15 and 17 cents per pound of the pooled tobacco" means only 10 or 11 cents at the time the tobacco should be sold, viz., when stripped in heavy winter order and when free of the expenses of prizing, shrinkage, insurance, storage, interest, bad management and extravagance. They have no confidence in a management which spends, as they believe, their money illegally in new projects, to which they have not consented.

They have no confidence in the impartiality or economy of a society which, they believe, so acts. The same sort of recklessness, they think, may be used to punish the enemies of the controlling power, or to reward its friends, or for any

other purpose in the handling of the tobacco of the new pool.

If they can and will, as we believe, illegally spend our money now, what security have we for the future that our property rights will be protected?

Let us stop here for a moment in our argument and see what the Equity Society intends to reserve for what they call the cost of management. Let us suppose that they pay 80 per cent of the 10 per cent reserve from the pool of 1907.

\$3.00 per hogshead on 52,000 hogsheads (1906)	\$156,000
\$3.00 per hogshead on 58,000 hogsheads (1907)	174,000
1¼ per cent. reserve on 1906 crop	100,000
2 per cent. reserve on gross proceeds (1907) crop	204,000
Thirty cents per cwt. on 1907 crop received from buyers and not paid growers	189,000
<hr/>	
Total	\$823,000
Amount collected from 1907 crop	\$567,000

The above is an estimate based mainly upon facts gotten from the officers of the society, and is as nearly accurate as we, without the books, can make it. For the 1907 crop this amounts to \$9.77 per hogshead sold, not counting the inspection fee of \$2.00 which should be added. The amount now on hand must as a matter of course approximately be the above amount, less the amount of salaries, and expenses paid out and money due them but not collected.

The point we make, is that the above money can only be used for the benefit of the pooled crops of 1906 and 1907, and each separately, and not for a new project or pool to which many of the subscribers of these two pools object.

Let us now very briefly review the social and moral aspects of the pool. In the first place, it is just as bad in morals for the Equity to combine to raise the price of tobacco, as it is for the Continental to conspire to lower the price to the farmer. The best lawyers with whom I have talked believe, that whenever the question upon its merits comes before the

United States courts, they will decide that the Equity is an unlawful combination.

In all due respect to and faith in the integrity and great ability of our Kentucky court, the Federal courts still differ with it on the political economy of their decision. The judge who wrote the decision of our Kentucky court, in discussing the question, substantially said (for the quotation is from memory) : "If this society was a combination to raise the price or value of tobacco, then this combination would be illegal; but we hold that it is not a combination to raise the price of tobacco, but only to get a fair price for it." ¹

Now by all the tenets of political economy as agreed to by all the writers, the value of a commodity is what it will bring in the market, and there is no other test. Any other test would confound intrinsic with commercial value, which last is the only one recognized by trade, commerce and the law.

It follows, therefore, that any combination to raise the value or price of a thing above its then market value is a combination to raise the value and consequently illegal.

Judge O'Rear speaks of this movement to form a pool as involving the recognition and establishment of some great principle necessary to human liberty and of the highest patriotic character; when in fact it is vicious in principle, and great outrages upon the dearest and most cherished rights of men have been perpetrated by it heretofore, or at least have been its inevitable consequences.

You would think from his grandiloquent references to the struggles in its behalf, comparing them with those of the Revolution, and other historic struggles for the liberty of the individual, the very liberty which this trust has ruthlessly violated, that some necessary principle in the wise extension of human rights was involved. In reality it is only a fight for

¹ "The Legislature could not enact a law legalizing a pool or combination of persons for the purpose of enhancing the cost of any article above its real value; yet it may legalize such pool or combination as is created or organized for the purpose of obtaining fair and remunerative prices." Opinion of Judge Carroll, Kentucky Court of Appeals, February 7, 1908.

bossism and improper combination to help to put on others the very thing they object to in the Continental. No more convincing proof, if there was not a multitude of other proofs, of its demoralization upon the body politic, could be shown than the advice of our learned and most able judge—and we hope that he is incorrectly quoted, when in his speech at Carrolton, August 21, he said in his peroration (I quote from the Herald of August 23) : “Make Kentucky strong, my fellow countrymen. Stand shoulder to shoulder, and make this pool a success at all reasonable and moral hazards.”

If he said it—and we do him the favor of calling his attention to it, so he can correct it, if not correctly reported—we hope he did not realize its full import. But, if true, then can we not say that night-riding with all its dread results is a necessary result of this movement, when their ablest advocate, a judge of the Court of Appeals, uses such language? To the patriotic citizen, who believes in the enforcement of the law as the basis of all our liberties, and that nothing good can come from lawlessness and violence, but only harm, the Equity pool does not appeal in the least, however strong may be the financial allurements—which is now weak—until the said society gives far better guarantee to keep the peace and to respect and support the enforcement of the law.

OBJECTIONS TO THE PROPOSED CONSTITUTIONAL AMENDMENT ¹ ON TAXATION, 1910.

"C. M. Clay wrote this piece and sent slips of it to all members of the Legislature in the winter of 1910, before the House acted on it."—Marginal note written by my father.—C.

As it is well that all questions should be fully discussed before legislative action is had in reference to them, we have concluded to give some objections to the Constitutional Amendment in regard to taxation now before the Legislature. Admitting some of the evils charged by the Tax Commission² against the working of the present revenue system, they are to a great extent the results of an imperfect administration of the law, and not due necessarily to the Constitutional provision for uniform taxation; and such or similar evils would attend the execution of any other system. Now, in regard to the argument of the Commission that the present system is conducive to concealment of personal property, it is the universal experience of mankind that personal property of

¹ The proposed amendment authorized the General Assembly to classify property and, in its discretion, to exempt altogether, or to tax at a nominal rate, one class, while other classes of property might be taxed at higher rates. An able writer on this proposal thus expressed himself: "The adoption of such an amendment would be the signal for a fierce struggle before the General Assembly between the different classes of property; and it is easy to foresee the result of this contest. Capital, always compact and organized, with unlimited means at its command, would easily prevail and secure exemption, or nominal taxation, while the small property holders, without organization, resources or representation, would be ground between the upper and nether millstones of taxation."

² One of the chief points noticed by this Commission, which was appointed to investigate the subject, was that, although the Constitution provided that "all property shall be assessed for taxation at its fair cash value," personal property, in particular, stocks, bonds, money, etc., was so assessed, while real estate, as a rule, was assessed at a discount on its true value. Furthermore, it was claimed that this working of the law, whereby taxes fell heavier on stocks, bonds, notes, etc., rather than on real estate, was conducive to the illegal concealment of the first from taxation. The gist of Mr. Clay's argument is that these evils are the result of an imperfect administration of the law; and that we should remedy these conditions by better administration of the present law for uniform taxation rather than by a revolution in the tax system. The proposed amendment would, in substance, break down the present constitutional limitations for equality of taxation and place the question entirely in the hands of the Legislature with all the attendant dangers of constant manipulation by special interests to the injustice of unprotected and less aggressive classes.

the kind that can be concealed, is but imperfectly given in for taxation. What security can anyone, who opposes the present system, have, that the system which he favors will be adopted by the Legislature, or, if adopted, will be retained, should the proposed Amendment be carried?³ The sessions of the Legislature are so short, being limited to sixty days, as to not admit of any thorough or exhaustive examination of the tax question, and special interests will be concerned in getting what advantage they can. They, being able, will employ special agents or counsel, and they will thus get a consideration that the plain people of the Commonwealth, either from lack of habit or of means, will not procure. What better illustration of such fact than in the case of the United States government! There the special interests, through the tariff, reap untold millions from the consumers of the country; and their victims, the plain people, are unable to loosen this rapacious hold upon their pocket-books. These special interests are fully able to employ the best counsel, and do so, and also they personally appear in great numbers before the committees of Congress, and make big money by doing so, while the consumer who suffers and bears the burden, lacking both organization and money, is conspicuous by his absence. We would, if the present uniform rule of taxation were abolished, see the same thing in kind in Frankfort. To the man who replies that this argument implies a distrust of the Legislature, we would answer that the same criticism could be made against any other necessary constitutional limitation upon the power of the Legislature.

Having given one of the main objections to any constitutional change, we will now meet some of the objections made by the Tax Commission, composed of gentlemen whom we highly respect and with whom we regret the necessity of having to differ. They make the point that money loaned in

³ i.e.: The proposed amendment did not directly establish a new system of taxation. It only authorized the General Assembly to do so, at its discretion.

the cities or in savings banks is taxed too high.⁴ This might be remedied by a change in the administration of the present law, and, if necessary, of the Statute law. If real estate is practically assessed at a fraction of its value, so may notes, bonds and money be assessed in like manner. The Constitutional requirement of taxation at a fair cash value is no more obligatory on notes, bonds and money than it is on real estate. The main thing required by justice in taxation is equality of burden. The burdens of real estate and other forms of capital should be equalized, and that is the very essence and spirit of the present Constitutional requirement. We do not claim that the present statutory and constitutional system is ideal,—the statutory and administration part might be materially improved—but it is certainly a bulwark and defense against the cohorts of special interests, which in so many other cases have gotten control of the power of taxation. A revision of the statute laws, to prevent double taxation⁵ and to provide a better and more perfect equalization of the assessments of the various forms of property, would certainly remedy most or all of the evils of the execution of the revenue laws of the State. Surely, to throw down all the bulwarks of the Constitution in favor of equal taxation in defense of the plain tax-payers and subject the revenue laws to the assaults of the special interests, who can employ counsel and lobbyists, is not wise.

Again, if they propose to take taxes off of personal property, then the burden on real estate must necessarily be increased.⁶ One reason why taxes in cities are so high in comparison with rural communities is that the citizens are provided with many conveniences; there is great extravagance in the expenditure of public money; and besides, if the assessment is fair, the real estate is as heavily burdened as the per-

⁴That is, in comparison with real estate.

⁵Under the tax laws, mortgagor and mortgagee are both taxed—the one upon his land and the other upon the note secured by the mortgage.

⁶"To break down the rule of equal taxation in favor of the special interests would antagonize every farmer, and real estate holder, in the State of Kentucky, who would feel that the Constitution had been changed to allow the special interests, which can send powerful lobbies to Frankfort, to get advantage of them, and to throw upon them nearly all the burden of taxation." Article by C. M. Clay, Jr.

sonal property. Some of the money in savings banks may be used unprofitably, and also much of the real estate may likewise realize little or no profit. If capital is needed in the cities or towns, it is furnished by the banks, who draw it from any available source just as it is needed, and in this way keep interest in the average just about the same as in other communities. In all our cities and towns there is sufficient loanable capital for all legitimate business or enterprises, and more would be hurtful, or would flow to where it was needed. All businesses tend to equalize in profits, allowing for the good or bad reputation, the safety or the hazards of each kind. When any business becomes unprofitable as compared with other forms, more capital is diverted into more profitable branches, until equalization of profits takes place or tends to take place, and so on forever. The action is just the same as that of gravity on water. You make a depression of the surface of the water, and the water flows in from other points to fill the depression, or if the water is too high at any point, the surplus flows outward to effect an equalization. So, in general, business will adjust itself to conditions under almost any system, but the most important matter is that each individual shall equally bear the burden of taxation in proportion to his financial ability. We predict—the arguments of the Commissioners to the contrary notwithstanding—that the effect of the contemplated change will be to increase the burden upon the farmer and real estate holder. Too much importance should not be given to ex parte statistics, collected here and there from a very wide range of vision, unless in each case the innumerable modifying conditions, which are not presented and which very likely could not be presented, are thoroughly understood. Similar statistics might be furnished to favor any theory or system. Finally, we take it that the main question involved in this whole matter is the right of the individual, in whatever business engaged, to bear a burden of taxation no greater in proportion than his fellow citizens bear.

THE INITIATIVE, REFERENDUM AND RECALL OF OFFICIALS, 1912.

These questions are now being considered by the public, and it much concerns us, before we get irrevocably committed to these policies, that we critically examine them and understand their probable bearings and final results upon our system of government. On account of the faults of human nature or a lack of mental or emotional balance, there is on social and political questions a strong tendency in public opinion, when once aroused, to go to extremes and like the swing of a pendulum only to return to a wise equilibrium after having gone far beyond such point. To illustrate: the general tendency to a concentration of capital and to the formation of large monopolistic corporations with their attending abuses of the rights and the opportunities of the average man, has brought on in the public mind a disposition, not only to adequately regulate and control them in the interests of the people, but also to resort to extreme and radical, and even harmful, and, as we believe, abortive means of preventing such abuses in the future. The Public Mind, for the time being, is liable to lose sight of the fact that wisdom lies in moderation, and in considering only one factor of a problem, when, may be, many should be regarded. In order to get at evils apparently quickly, they may be sowing the seeds of instability and anarchy.

We believe in our form of well balanced, constitutional, representative government in which individual rights are amply guaranteed and protected and individual development promoted and consequently, as the quality of the units determines the quality of the whole, general welfare advanced. We consider an absolute or unlimited Democracy as Anar-

chy, and as no better than a one man despotism; nay, even worse, for the despotism of the mob is worse than that of one man. The Democracies of ancient times illustrate the evils of unbridled Democracy in which there is no check on the instant will of the mere majority. The great glory of our forefathers of the Revolution in establishing our form of government and of their successors in perpetuating it, is that, while they preserved the spirit and substance of Democracy, they imposed checks and restraints upon the will of the mere majority, so that its sudden injustices, passions and instabilities were eliminated, and its final will tempered down to comparative justice and wisdom. They divided the delegated powers of the National Government (and about the same way in regard to the undelegated, of the States) into three equal and independent departments, and provided that no one of these should exercise any of the powers of either of the others. As you well know, these departments are the Executive, Legislative and Judicial. The Legislative department was divided into two bodies, elected for a different term and by a different constituency, each having a veto upon the other. Also the Executive was given a qualified veto in Legislative matters. In addition they gave to courts the duty, among other things, of keeping all departments within their constitutional limits, and above all they placed a written constitution in which certain rights of the individual and the states were placed above the power and control of any or all of these departments, or that of any mere majority. As a matter of course, there was a way prescribed in which this constitution could be amended. As a consequence, we have a stable and well regulated liberty. Any attempt to break down these guarantees and balances can only lead to a less stable and protected liberty for the individual. The individual needs less the power, along with the mob, to impose upon others, than protection in the enjoyment of his rights of life, liberty and property.

Another one of the great advantages of representative

Democratic government, as contrasted with unlimited Democracy, consists in the fact that in this way you commit the making of the laws, their execution and adjudication severally to trained bodies of men of ability, knowledge and experience, who are far better qualified than the average voter to perform their respective functions. These men, with a fixed tenure of office, are selected directly or indirectly by the people, and are responsible to them for the performance of their duties. In the proportion that these men are better qualified, will the quality of the government be above the possible attainment and competency of the average voter, acting for himself; and by so much as by the checks and balances of our system the spasmodic waves of sentiment and emotion of the masses are eliminated and their logical and reasonable purposes conserved, will the government gain in the intelligence, continuity and stability of its policies. Finally, the power rests with the average voter, and should he determine, which heretofore he has had the good sense and conservatism not to do, that he himself will perform these various functions, then the government descends to his level in quality and efficiency; and this is the case in proportion to the extent in which he exercises these functions. Let us now, for a moment, see who is the average voter. In a county polling 5,001 votes, he is the one after selecting 2,500 of the more competent voters. Now, in many cases, the more intelligent influence controls the less intelligent voters; but, on some questions, and these socially the most dangerous, the average vote controls and decides the result.

Our objection to the Referendum, and it is the least objectionable of the three, is that it relieves the legislator of that personal and efficient responsibility that can nowhere else be so wisely placed. The responsibility of passing good laws is not placed where there is, comparatively, efficiency and competence. With the Referendum, the legislator is relieved of the full extent of the responsibility of seeing that the measure is well matured and perfected and the best that

he can possibly make. To illustrate this, we know of a recent instance, where a constitutional amendment¹ of great importance, though not satisfactory to many members in our Legislature, was allowed to be submitted to the people without protest or opposition, on the plea that the people would decide for themselves. As a matter of fact, said amendment was not discussed by both sides before the people, only misleading statements as to its effects being made by its supporters, and little or nothing said in opposition. The vote was very light and very little interest was taken, and the votes of many counties were not counted in the final result; yet this amendment was of vast importance to the State. We only refer to this case to show that, with the Referendum, no adequate consideration will be given measures by the legislature, and that the average voters themselves have neither time, opportunity nor aptitude for proper discussion and decision. Such measures, except in rare cases where there is a strong personal and local interest, as, for instance, temperance questions, will excite but little interest among the people, and but few will even vote for or against them. On the other hand, the legislators, being freed from the full responsibility for the results of such legislation, will not adequately perform their full legislative duties of seeing that these measures, properly perfected, are wise and far-seeing.

Now, in regard to the Initiative. We shall not speak of any particular form of the Initiative, but only of the general principles involved. The proper making of laws, or business of wisely legislating, is really one of the most difficult and complicated of professions. To make suitable and wise laws requires more intelligence and comprehensive knowledge than is required in the successful practice of any of the learned professions. History, Sociology, Political

¹ The "Good Roads" Amendment submitted to popular vote in November, 1909. Mr. Clay's article, published in the local papers, was one of the few arguments which appeared in print against this proposition. His opposition to the Amendment was based on the fact that "in regard to the State there is no limit to the credit that may be given, pledged or loaned to any County of the Commonwealth for public road purposes." The Amendment was lost "although very little interest was taken in the result."

Economy, and many other kinds of knowledge should contribute to the equipment of the wise legislator; in fine, as much of human knowledge as possible should assist in the making of a code of laws, consistent with the moral and intellectual development of the time. Not only this, but the fullest opportunity and time for debate and amendment should be given for the perfecting of measures. The business of legislating requires a concentration of efforts, impossible to the average voter at home, attending to his daily private business, even were he qualified. On the other hand, the selected representative is generally far above the average voter in intelligence. He devotes all his time during the legislative session to consideration of public measures. He has, through discussion, the benefit of the best talents in the Assembly, as well as in the State, for eminent men are called in to address the committees on important questions. He has the benefit of a wise legislative organization for the accomplishment, through committees and otherwise, of the best results, and of a library adapted to the wants of a legislator. A bill is in each legislative body read three times, after more or less delay, and opportunity for debate and amendment are given. For the convenience of perfecting, it is printed at the amendment stage, and every opportunity given for putting it in the best form. Having passed one House, the same process is gone through with in the other. After a bill has passed both Houses, it goes to the Governor, who can veto it if he thinks proper. In case of a veto it has to be again passed by both houses before becoming a law. Even after all these pains taken by competent persons, much bad legislation is passed, and also many measures are thrown out by the courts on account of unconstitutionality. Again, how many laws have the opposite effect from that intended by their framers! If we had time we could give many instances. Now let us take the other side. We must deal with the average voter, for he decides. The average voter is intensely occupied with making a living for himself and

family and it is impossible for him to get adequately posted about the details of many public measures. He has no opportunities of hearing on both sides intelligent and thorough debate about these questions; and if he does hear anything, it is in all probability an *ad captandum*, or one-sided, partisan argument. He has no opportunity of amending or perfecting a measure. The effect of all this, as a general thing will be, he will take no interest, and either give an unintelligent vote, or else leave the decision as to the passage of the law to an interested or manipulating few. While the average voter can give no proper consideration to the enacting of laws, he can much better easily make under the representative system an intelligent choice in the selecting of legislators.

For instance, the average man with moderate means can select a capable lawyer to conduct his complicated law case, while utterly incompetent to do so himself; or a learned surgeon to perform some difficult operation on a member of his family for which operation he himself is utterly incapable. Let us investigate, for a moment, some of the evils of letting the people act directly as legislators. Nothing so injures a state as ill-considered and hasty laws. They increase litigation and make insecure all the rights of person and property. They must increase the cost of government, while depressing and discouraging all business and industry. All socialists and anarchists, so far as I know, are in favor of the initiative, referendum and recall of officials, as they well know that they are an efficient lever for breaking down the present arguments of society and government, and for producing that insecurity and instability that they welcome in their effort to revolutionize our present system of land ownership, distribution of property, marriage and other institutions of society. While this last is not a logical argument against these measures, still it should arouse our suspicions and increase our care and pains in their consideration.

Advocates of the recall and initiative cry out that we do not trust the people. The same plea would do away with the

constitutions and the checks and balances of our system. The same plea would relegate us to the system of Athens, where one day a citizen was voted a hero and a general, and another day was condemned to drink the hemlock; where hardly any prominent man lived through his career, without either his property being confiscated, without being sent into exile or condemned to death. In the case of Athens, the territory was very limited, the diversity of interests very small, and citizenship and the resultant suffrage not general, but restricted, and the voting class of the highest intellectual quality the world has ever seen. Yes, we believe in trusting the people, but, for their own good, in the legal and constitutional way of our system, a way that the wisdom of our fathers and their predecessors and centuries of civilization and governmental progress demand.

Sometimes representatives abuse their trust, for all human arrangements are more or less faulty; still, it is far better to turn out one of these unworthy servants at the end of his term than to utterly disarrange and destroy the advantages of our system. At the worst, the misrepresentation in legislation can but a short time delay the passage of any proper and necessary legislation that is demanded by wise and predominant public sentiment.

A few words about the recall of officials and we are done. We will be very brief. The same reasons, so ably given by President Taft and others against the recall of judges, more or less prevail against the recall of other officials. No official can fully do his duty under the duress of popular clamor, and the effect of the system would be to put demagogues and blatherskites in office and to debar the better class of men. If an official is liable at any time to have snap judgment taken on him, he cannot, from a selfish standpoint, afford to antagonize any sudden emotion or passion of his constituency. While officials should be under the legitimate control of the voters, it is far better that they should have the reasonable time given them by their legal term of office, in which to justify their ac-

tions and policy. Again, the frequent elections would disturb business and retard prosperity, and, farther than all else, would give instability and confusion to governmental policy, which would, in the highest degree, be detrimental to any continual and consistent reforms. Some one will say, will not the recall relieve us of bad officials? It might in a few cases, but we must consider the average effects of such policy. It is far better that a few unsatisfactory officials (if they act corruptly they can be legally removed from office) should serve out their limited terms than that we should suffer all the evils of the proposed system. Again, the reforms—we speak of the control and regulation of trusts and monopolies and like subjects—that have aroused the demand for these radical and crude measures of initiative, referendum and recall, have substantially already been affected or are in a successful way of being accomplished by our present system without resorting to any strain upon our representative and constitutional form of government. The delay has occurred, not from want of proper power in government to effect the needed results, but from the newness and complicated nature of the great industrial questions involved, and the adequate and complete solution can only come from a clear realization of all the factors and conditions of the problems, a knowledge that necessarily comes slowly and to a great extent by experience. Our present representative, constitutional government can, when knowledge comes, we are sure, adequately meet all the requirements of the problems of the present and the future without resorting to radical and revolutionary policies that may be destructive of our individual rights of American and Anglican liberty.

Finally, to sum up, we think that if the three measures were adopted, the effect would be to give uncertainty and instability to our governmental policies, very much impede the business prosperity of the country, and weaken or destroy the guarantees of our personal and property rights.

THE INITIATIVE, REFERENDUM AND RECALL, FURTHER DISCUSSED, JANUARY 26, 1912.

We see in the last Sunday's *Courier-Journal* a very able presentation of the claims of the Initiative, Referendum and Recall, by the Hon. W. B. Fleming—a reply to an article of mine opposing said measures.

Permit us to reply—not repeating our argument—to his most important points not treated in our article:

The main force of the movement for these measures, like the pleas for Free Silver and Greenback fiatism, lies in a skillful appeal to justice, and an adroit flattery of the average voter. The Free Silver and Greenback causes were also backed by much more logical and reasonable arguments. In these last two contests the prejudices of the voters were excited against the money or propertied classes, and the insidious flattery was given the masses that they knew as much or more about the financial question than the trained scientists who had devoted their lives to the study of the intricate and complicated problems of finance and Political Economy. Every scientist who opposed them—and scientists all did—was denounced as a satellite of the money power. The force of such advocacy was so great that the Free Silver and Greenback crazes swept over the Western States—the same territory now affected—like a whirlwind, and the right policies were finally adopted in the nation only by the most strenuous exertions of those better versed in finances.

Mr. Fleming charges that my argument is Hamiltonian and not Democratic; but we claim that it is Jeffersonian and Democratic, but not populistic. Let us quote Thomas Jefferson, the Father of Democracy, in reference to Representative, Constitutional government. Speaking of equal rights, he de-

clared: "Modern times have the signal advantage, too, of having discovered the only device by which these rights can be secured, to wit: Government by the people acting not in person, but by Representatives chosen by themselves." Mr. Underwood has well said, that "the Author of the Declaration of Independence, knowing well that all popular government, before his time, resting on the direct decisions of the people, had failed and ultimately had reverted to uncontrolled despotism, rejoiced that the hour had come when a Representative government could express the will of a free people."

Mr. Fleming expresses the hope that we, like Governor Wilson, may change our mind and support these visionary schemes. We are not a candidate for any office and not under any strain to modify our views to suit any political emergency. We prefer to stand with Governor Wilson when not a candidate, and not with Governor Wilson, a candidate. Governor Wilson when not a candidate said, speaking of these measures: "It has dulled the sense of responsibility among legislators, without in fact quickening the people to the exercise of any real control in affairs. Where it (Initiative) has been employed, it has not promised either progress or enlightenment, leading rather to doubtful experiments and to reactionary displays of prejudice rather than to really useful legislation. A government must have organs—it cannot act by inorganic masses. It must have a law-making body—it can no more make laws through its voters than it can make laws through its newspapers."

Next, we utterly deny the claim that the Initiative, Referendum and Recall can handle the trust question and other vital reforms better than Representative Government can. All laws for the control of these complicated industrial questions or other questions, can be much better framed and perfected under the Representative System with trained and well informed men acting as legislators. With their knowledge and experience they will prevent those crude and ex-

treme measures that can only bring destructive reactions and prevent any consistent and reasonable control. In fact, such control would be impossible by the direct legislation of the people. If there are difficult questions unsettled, and there will be many, then surely we can the better accomplish their solution under the present system than under the proposed one.

Our present Representative system has always been responsive to all well matured and reasonable demands of the majority of the people. The regulation of Railroads and other corporations, the Trust, the Pure Food, Publicity of Campaign Contributions and many other laws, too numerous to mention, attest the truth of the responsiveness of our Representative government to public opinion, a public opinion that is a much better judge of men than measures.

To the local referendum which only applies a general law already enacted to localities as they may by majority of vote desire, there is no objection.

Our argument in our original article was not academic, as claimed by Mr. Fleming, but was based upon the views of all our great American statesmen of the past and the experiences of the preceding ages of governmental progress. Representative, Constitutional government is the result of evolution of twenty centuries of the effort of freedom-loving men to form a stable government with liberty. Spencer, the great evolutionist, defends it in a special essay. This Republic, of all Republican countries of any size or diversity of interest, with its representative government has alone survived, for any length of time, the storms of anarchy. The experience of the ages justifies and confirms it. The Referendum, Initiative and Recall is an unfit, degenerate variation that time and use should eliminate. The case of Switzerland is often quoted in behalf of these schemes. If there is any country on the face of the globe, where these measures would do the least harm, Switzerland is that country. The territory is small and poor, business insignificant, the inhabitants homo-

geneous with little or no foreign admixture, and mainly rural, no or little diversity of interest, and of insignificant wealth. Yet even here the effect has been made to make Switzerland the most socialistic or communistic of civilized countries.

The advocates of these schemes take great pleasure in referring to Oregon as illustrating their virtues. Let us quote a few extracts as to how they work there. We wish we had space to make them fuller. The *Oregonian*, a leading newspaper that at first supported these measures, later says: "They were adopted under the impression that they were to be the medicine of the Constitution, cautiously administered, when the occasion might require; not as its daily bread. They encourage every group of hobbyists, every lot of people burning with whimsical notions to propose Initiative measures, or to interpose objections through Referendum appeals. They have the effect, practically, of abolishing the Constitution and laws altogether; or at least of keeping people who would defend the stability and orderly progress of society always on guard, always under arms for their defense." In another place it says: "The situation is a crank's paradise. It would not have been supposed there would have been so many groups of persons devoted to strange and multifarious crazes."

The testimony of Chas. H. Carey and Fred V. H. Holman, prominent attorneys of Portland, the one in an address to the Bar Association, and the other in a speech in Chicago in 1911, is to the same effect and equally emphatical against the policy. Mr. Holman says: "The percentage of those who do not participate is increasing, lack of intelligent grasp of many measures is clearly indicated; legislation is enacted by minorities to the prejudice of the best interest of the majority and the Constitution itself is being changed, with reckless disregard of its purposes and character." I regret I have not space to give further details of the general demoralization produced. The results here, as elsewhere, are just what are to be expected from a logical and general consideration of the

question. To be brief, and not to restate the arguments of our first article, we must repeat that the effect of these measures when extensively used are, and will be, to give uncertainty and instability to governmental policies, to much impede business prosperity and to weaken or destroy the guarantees of personal and property rights. The larger the country and the more diversified the industries, the more ruinous and disastrous the results.

THE PHILOSOPHY OF LIFE: A FRAGMENT.

CHAPTER I.¹

To the inquiring mind the mystery and wonder of life increase as the intellectual horizon expands. To the child or savage everything seems as a matter of course. Only the philosopher appreciates how little he knows, and how uncertain is even that little. The whence, how and whither of life are the most important questions, and practically especially the "how." All philosophic writers agree that the infinite surrounds in every direction the finite knowledge that is attainable by man; but slowly and gradually the mind of man is approaching nearer the limits, although surrounded by the infinite both in space and time.

To do this successfully it was necessary that the very beginnings of knowledge should be re-examined and the fundamental principles as correctly as possible restated and systematized. The mind of man, in the first place, assumed a great many beliefs about physical nature which, based upon tradition or ignorance, were radically wrong. The advancing evolution of science has gradually undermined and destroyed a great many of these erroneous ideas. It is hardly necessary to name the successive steps in this long educational process that is still going on. It might be well said that the human race appeared upon this earth, as a baby appears; and that its attainment of its present intellectual, moral and civilized status has been accomplished by a process similar to that by

¹ An unfinished manuscript, part of a book on scientific and philosophic lines at one time contemplated. In private conversation Mr. Clay occasionally expressed a desire to write a book, setting forth his views on scientific progress; but business cares and responsibilities prevented him from the undertaking. The following piece is preserved in this book as giving an imperfect idea of his views—*vir pauca*, scarcely a few—the result of earnest thought and careful study of Spencer, Darwin, Haeckel and others.

which the child attains its experience and education, with this exception, that the process was much longer and slower in the same proportion that the life of the race is longer than that of the individual, and that such knowledge as the individual receives from others had to be slowly evolved by the race for itself, often accompanied by mistakes and reactions that immeasurably increased the time required for its attainment.

To be very brief, what has been the main feature of this intellectual progress? To our mind the great scientific achievement of the ages has been the establishment of the idea of the regularity of law. It was first seen that in inanimate nature all physical phenomena were regulated by law and did not happen by chance. This observation was first made in regard to a few things, and then gradually the domain of law was extended to many things; until now the philosophical mind does not doubt that all physical phenomena of the inanimate world are strictly regulated by unvarying laws. Then it was, more slowly, as a matter of course, on account of the complexity of the subject matter, also ascertained that the animate world was controlled by and was under the dominion of law. This last proposition is not so widely accepted, or so thoroughly demonstrated as the first; but each day's experience adds to its strength, and the best thinkers on this subject no more question its truth than they do the reign of law in the inanimate world.

The scientific world of today then, to formulate its main tenet, believes in the persistence of force, or the regularity of law. This general proposition includes a great many minor ones. From this is deduced the indestructibility of matter, the conservation of all kinds of force though converted into other forms; as for instance, the conversion of motion into heat, light or electricity and reconversion in turn into either of the others. From the principle of the persistence of force, scientists deduce the proposition that no physical phenomena can take place in the inanimate universe without adequate an-

tecedents or causes. And the same truth they infer, with ever increasing proofs, in regard to the animate universe.

Now considered in the light of these conceptions, what of the whence, the how and the whither of human life? Let us say in the first place that we shall treat of but a few of the many important questions involved in this all comprehensive query, and very briefly at that. First, we shall state a brief summary of what we believe as to the physical universe. We, with all advanced thinkers, believe in some form of the nebular theory. To confine ourselves to the earth, it was first, or at least at a very early period, a mass of nebular matter, acted upon by the physical forces now and then in existence and gradually consolidated into a liquid and then into a solid body. The particular forms of force exerted were gravity and the concentration and contraction produced by cooling—forces inherent in matter.

During this process occurred the long period within which the crust was slowly formed. Of this period geology furnishes the history and, as far as human knowledge has attained, the process. It also gives, from the record left by imbedded fossils, the gradual development of life as the world progressed towards its present status. And here, by the way, let us record the fact that little solid progress was made in geology until Hutton enunciated the great principle that the forces of nature now at work were sufficient to accomplish every result seen, and must be solely relied upon to unravel the mysteries of the rocks and their varied phenomena. As long as geologists tried to explain the strata by old traditions as to what had occurred, or by some irregularly acting and supernatural forces, they labored in vain and their work bore no fruit. Just in proportion as they confined themselves to those forces now in existence and ever working, did the rocks give forth and unravel their history.

The same truth has been found in regard to all other fields of scientific inquiry. In other words the more we study the laws of nature, the more we find phenomena regulated by

law. Now how is it in regard to the animate world? In this field we find, with expanding knowledge of its facts, the same subjection of all its forms to the dominion of law. The theory of organic evolution is now held true by nearly all well informed minds in the field of natural history, and also by an ever increasing number of the general public. The thinking man sees it exemplified in all departments, not only of the animal kingdom, but as a universal law of all nature. While this theory is not absolutely proved in all its implications, yet each day adds to the quantity and the strength of the proof.

As between the theory of special creation and the theory of evolution, the impartial mind cannot hesitate a moment. For the theory of creation, as held of yore, there is not a particle of scientific evidence of any trustworthy character, while in favor of evolution there are innumerable proofs that are daily being added to. It is the only theory consistent with the spirit of the science of today. Every science, as its range and spirit are expanded, strengthens and supports the theory of evolution. The theory of creation, as heretofore held, is utterly inconsistent with the facts of geology, paleontology, anatomy, chemistry and astronomy. That of evolution completely harmonizes with these sciences. It explains adequately the facts of animal life, its forms in the present and past and their distribution in space and time. It explains the formation of the earth and heavenly bodies from their nebular beginnings to their present conditions. It not only does this but, as Herbert Spencer so well demonstrates in his various philosophical works, it explains the growth of society, its institutions and civilization. In fact, the best scientific thought believes it to be the universal law of the universe. As against the theory of special creation it is impregnable.

The old theory of special creation in the light of geology and paleontology, would imply that, not only in the beginning the act of special creation was performed, but that all through geological time the act of special creation was per-

formed continuously and incessantly. As this theory denied the derivation of species from any other species, it necessarily involved that the millions of different species in the past, each following in endless succession, were specially created without antecedent form. This belief in view of the present knowledge of these subjects is absurd. On the other hand the theory of evolution perfectly explains how by natural causes one species gradually developed from a previous one and makes an open book of the past life of the globe so far as geology is concerned.

CHAPTER II. THE REGULARITY OF LAW.

Before proceeding farther with the main subject, we will more fully explain some of the consequents of the principle of the persistence of force. Take, for instance, a ball and throw it with a certain force; that ball, if not opposed by another force, would travel through space with the same velocity for all time; but in nature there are probably no instances of a body acted on by only one force. When you throw the ball there is not only the force with which you throw the ball, but also gravity and the force created by the opposition of the medium through which you propel the ball. The final motion of the ball is the true resultant of these three forces and can be accurately calculated if the exact measure of these three forces is known. The same is true in regard to all other motions of all bodies earthly or heavenly. Again, when the ball is thrown against a stationary and immovable object, what becomes of the propelling force? In this case motion is mainly converted into molecular motion, which produces motion that is invisible in the form of heat waves. If these heat waves could all be collected, along with such other movements as were started by the shock of the contact, they would make the same amount of force in the form of motion as the ball possessed in the first place.

This last illustration brings up the corollary of the conservation of force. This principle asserts that force in the form of motion can be changed, without loss, into other forms of force; namely, light, heat, electricity or molecular motion, or conversely in regard to either of these. The principle of the persistency of force guarantees that no form of matter nor of force is ever lost, or can be lost; and, where seemingly it is so, there is only a conversion in the form of the matter or of the force which occasions the deception; and, if by careful experiment such apparent destruction of either force or matter is accurately analyzed, it is found simply a conversion into some other form of matter or of force, which, when properly measured, shows no loss of either.

As a consequence of this persistence of force and matter, comes the regularity of the material world. Were not matter and force persistent, no calculation could be made as to the future. The science of astronomy could not exist. No calculation in relation to the planetary bodies, and especially as to the comets, would be reliable. The world would be continually changing its orbit, and the regularity of the seasons would disappear. The heat of the sun received by the earth would be inconstant, and soon from this course alone all life on the globe would become extinct. Again, were any matter ever to be destroyed, the earth and all heavenly bodies would continually vary in weight and size, and all regularity of their motion, caused by gravity, would cease and universal chaos would come.

Also in regard to the ordinary events of life the same irregularity and uncertainty would prevail. So without going into detail, the present status of the world, its matter and its animal life, would be utterly impossible, were it not for the persistence of force, or in other words, the unvarying regularity of law.

By the unvarying regularity of law, we must not be understood as meaning any regularity of results, for the least difference in the forces or in the combination of the forces

must necessarily cause a variation in the results; but we do mean by it that nothing occurs, so far as we have investigated, in the earth or in the universe without adequate causes or antecedents. More and more of the mysteries of nature are yearly unravelled to the extent of being found to be under the dominion of law; and the scientific mind of today believes in such regularity in regard to far off or occult phenomena, which have not yet been thoroughly investigated or understood.

CHAPTER III. DARWINIAN THEORY.

In the previous chapter we have spoken of the regularity of law in a general way, but more especially pertaining to the material universe. We shall now investigate whether the same regularity of law pertains to the animal world.

In the study of life there are two fields, the forms now existing and the forms of the past as shown by the fossil remains in strata and rocks of former ages. For a long time in the history of the world all forms of life were considered as specially created without antecedent forms. It was only as the science of geology developed, that such theory was seen to be utterly inconsistent with the evidence of the rocks as presented by their fossil forms. For a long time these fossils were supposed to be freaks of nature, and not the remains of animals that had actually existed. But more extended investigation and more complete knowledge proved beyond doubt that these fossil forms represented animals that had actually existed in the past.

So any theory of creation or life had not only to account for life as it now exists, but for the myriad of fossil forms that had existed in the past. By investigation it was seen that in the lower rocks, which were formed millions of years ago, only the lower forms of life appeared, and with the ascent in the rocks, the fossil forms gradually assumed a higher devel-

opment and the highest form of animal life only appeared in the comparatively recent strata or formations.

It was also found that there was a wonderful differentiation of varied forms, and that one type gradually approximated to another type, and that thus there appeared more or less perfectly connecting links between the various forms of life. I say more or less perfectly; for it must be recollected that the conditions under which fossil forms, especially of the higher animals, are preserved are largely exceptional, and the vast majority of remains of animals are in course of nature destroyed without leaving any vestige or trace. In fact, the wonder is that so many, and not so few, individual fossils have been preserved. No doubt many species and genera have left no fossil forms.

To account for the facts of life in a natural way as presented in both its history and fossil forms (for a thinker certainly must exhaust the natural before he calls in the supernatural), Darwin enunciated his theory of evolution. He elaborately does this in his "Origin of Species" and in his "Descent of Man." Most of his other works were written to strengthen and enforce this theory. Various other great minds are entitled to their share in the development and fortifying of this explanation of life, Wallace, H. Spencer, Haeckel, Huxley, Tyndall and others. Spencer and others extend the theory universally.

No one who has not read Darwin's works can form any conception of the infinite care and pains he took in the observations and experiments he made to develop impartially the truths of animal life. Briefly stated, the theory is, that in regard to animal life, it has been slowly and gradually developed through countless ages from the lowest forms to its present high status in man and the higher animals through a gradual differentiation.

Darwin accounts for this variation in the main—although there are other forces also allowed their part in the result—by the principle of natural selection, or as popularly denomi-

nated, the "survival of the fittest." Any one who has read Malthus understands what we mean by the struggle for existence. All plants and animals if unopposed in any way, would increase beyond the capacity of the world to furnish them room and sustenance.² Take the illustration of Huxley of a plant that produces 50 seeds a year (and this is a very small number for a plant), and if there was no obstruction, if conditions were always favorable, if each seed made a plant, and if these plants could be equally distributed over the earth, and assuming that each plant occupies a square foot of ground, in nine years these plants would occupy the whole surface of the earth. Now apply the same calculation to living creatures, and you arrive at as amazing results.

From all this arises conflict between plants and plants, animals and animals, and, indirectly, animals and plants, for space, food, etc. Those survive in such contest as prove fittest to bear the varied competition from all antagonistic sources. We are not going into details, but briefly sketching some of the salient points of the grand law of evolution. In regard to any particular species, genus or family, those of such species, genus or family will tend to survive, which are best fitted for the habitat and environment. In other words, beneficial differentiation in individuals will tend to be perpetuated at the expense of those individuals who have not such beneficial variation. In course of time the gradual accumulation of such beneficial variations amounts to an immense change in the original type of the species.

The best illustration of animal evolution is the tree. The ends of the various branches represent existing individuals. The smallest group of twigs represents species. Larger groups represent genera, and so on until we arrive at the source of all these ramifications in the main trunk. Now let

² As Milton expresses the thought:

"Who would be quite surcharged with her own weigh
And strangled with her waste fertility;
Th' earth cumber'd, and the wing'd air dark'd with plumes,
The herds would over-multitude their lords,
The sea o'erfraught would swell,"

Comus, lines 727-31.

us examine this illustration, which has been used by several writers, a little more closely. The analogy becomes closer and better as we more closely study it. It explains to a great extent the philosophy of animal and vegetable evolution. Just think of the infinite number of buds, embryo twigs, and branches that have appeared on that tree in the past, and how few comparatively survive in the shape of existing twigs and branches. How when two or more branches or twigs grow too closely together, one or even all may decay and fall off, there not being enough light, air and moisture for all. How some limbs survive by shooting towards light and moisture, and others only live by drooping to occupy some empty space, all available space above being occupied by larger and stronger branches. Then think how in the course of time even large limbs, being overshadowed by still larger or more healthy limbs, have gradually decayed and fallen off, so that the old tree, as it now stands, represents but few of the various branches that have existed on it in the past. The main branches that now exist, do so by virtue of having had some advantage over those that have decayed and fallen off. Notice that the thicker the forest is, the fewer are the limbs and the longer is the trunk of the tree.

The question now naturally arises, how does life begin? All evolutionists, assuming the existence of life, more or less agree as to the processes that then take place. They differ, or at least some do not commit themselves, as to how life begins. Darwin assumes certain forms of life and shows how other and higher forms arise; but he does not touch on the beginning of life. Haeckel thinks that evolution, to be scientific and logical, points to spontaneous generation of the simplest forms of life; and that the whole plan of animal life is effectuated by general law without any special creation of any particular form; or in other words, that life results from the potency of matter and that evolution and all other phenomena take place under natural law. The question of spontaneous generation is a difficult and complicated one and is

purely in the hypothetical state, and we shall not consider it necessary to our present purpose to discuss it.

CHAPTER IV.

The scientific world, then, believes in the persistence of force or the conservation of forces, in the regularity of natural law, and as to animal life, in the theory of evolution. Spencer makes evolution the one universal law of the universe. He knows the following facts: He lives in a great world which is a shortened sphere, 8,000 miles in diameter. This sphere alone with the other planets is a satellite of our sun, making a yearly revolution about that great luminary. It also rotates on its axis in twenty-four hours. Some of the other planets are much larger. In addition to our solar system there are innumerable suns, no doubt attended by their systems of planets, distributed throughout space. He knows by the spectrum that the constituents of the other heavenly bodies are constituted of pretty much the same elementary substances as our own. * * * *

THE NATURE OF THE ALLEGIANCE THAT A MAN OWES AND SHOULD OWE HIS PARTY TO SUPPORT ITS NOMINEES.

From the Lexington Herald, August 18, 1912.

This is a question of great interest and importance, and, so far as we have noticed, has been but little discussed in the United States, and not at all in Kentucky. We all acknowledge that political parties are necessary in order for men holding in general like opinions, to have concert of action, and thus accomplish results reasonable and commensurate with their numbers and characters. The end in view always is good and wise government. We use parties as means to this end. Without party concert, individuals like an unorganized army could effect little or nothing. The question now comes up, when should a man be justified in not supporting his party's nominees and what are the measures and limitations of his party allegiance. Let us for a moment consider the nature of a party's principles or opinions. In this age of rapidly developing civilization, political parties must keep abreast of these new evolving conditions, and in the great mental activity of the age, new policies and variation of policies are proposed with increasing frequency; so that parties which have not changed their names or organization for many years may represent at any time, in whole or in part, entirely different policies from what they held at some previous time, and this evolution of change continually goes on.

A man, as an intelligent, morally responsible and patriotic agent (all of which he should certainly be), cannot as such

agent do or aid in doing anything that will, in his best judgment, injure his country or people. In other words, he cannot delegate his moral responsibility to his party or to anybody else, or he thereby violates the highest law of all—the law of his conscience. All parties should recognize this higher law of moral responsibility to self and country. They should also recognize the fact that very often the policies proposed in platform are temporary and tentative. What then should be the nature of the obligation to support nominees? We unhesitatingly say that a man should weigh the issues, at the time involved, and the character of the nominee, and to the best of his ability decide as to whether such support best serves his county, state or country, and vote accordingly, giving the benefit of doubts, if he has any, to his party.

This is the only obligation that a party nomination should have—to have more would be immoral and injurious. Some will say this will demoralize and break up the party. We deny it. Nothing so well disciplines a party as the necessity of appealing to the enlightened judgment and morality of its members in its nominations and platform. The fact that a man allies himself with a party shows that his general inclination is to support its policies and nominees, and to give such support in particular instances any further than judgment and conscience permits would be wrong and vicious both to himself, country and party. The men who exercise such freedom of judgment should be encouraged to remain in the party wherein they generally vote, as the leaven of reform should be kept within and not thrown out. No more useful members of a party could be desired. What a party needs is not slaves, but intelligent and moral activities within for its betterment and welfare.

It will be objected that, if a person does not like the character and principles of a candidate who seems likely to be nominated, he should keep out of the convention or primary. This would be injurious and impolitic, as it would debar all

those to whom a candidate is seriously objectionable from the polls, and result in the more certain nomination of such candidate, and thus injure the party.

Finally, to summarize the argument—a political party is only the means to an end. The end is good and wise government. Concert through party action is a necessity to effect reasonable and commensurate results. A man cannot absolutely delegate the exercise of his moral responsibility or his patriotism to any one else, or even to any political party. Therefore, a wise compromise would be for the voter in good faith to support nominees when conscience and patriotism do not forbid, and for the party to freely grant such discretion without ostracism or depreciation of standing to the voter. When a voter's opinions, for any length of time, become in general antagonistic to those of his party, he should change his party. This rule of freedom and not of slavery should prevail. It would greatly strengthen a party to have this idea of allegiance generally recognized. It would be the worst of folly to ostracise and depreciate those generally intelligent and moral persons who so observe and respect their conscientious scruples. The above rule would hold in its exercise the very best discipline that a party could experience, and one that it now lamentably needs.

There should always be a necessity for making good nominations and enunciating wise policies, and this is almost impossible under the old idea of party allegiance in districts where the majority is large. We insist that good government and the welfare of the country are the end, and party only the means to such end.

The time will come when the fact that a man has always supported his party's nominees will be considered more or less a mark of mental weakness and moral cowardice, for to have long done so in the swiftly evolving issues of modern politics is to imply a degree of mental lethargy and moral apathy that are necessarily wanting in the intellectually equipped and courageously moral man. What thinking man would not trust as

a bulwark against corruption and wrong a man who has the courage of his conviction rather than a slavish time-server?

Already you can measure the volume of independent voting in a community by the amount of its intelligence and morality. Where schools and colleges abound; where books, magazines and first-class newspapers are extensively read, the independent voter is a power. On the contrary, where all the above are comparatively absent, they vote the straight ticket without regard to consequences. The leaders of the coming politically better times will be men who will have the intellect and courage to stand for the higher ideals of government, and who will not be slavishly bound by the lower standards of party despotism and short-sighted expediency. It has been on account of the old idea of party allegiance that corrupt rings and cliques have flourished at various times in our cities and states, and it has only been by the violation of such rule by the better class of party voters that such rings and cliques have been broken up.

We conclude: We should have parties as a necessity in the government of a free people, but their rule should be one of freedom and not of despotism. The authority of their actions in regard to nominees and policies should be considered moral and advisory and not despotic and obligatory. They should keep within themselves the leaven of reform and betterment by not excluding from good fellowship and equal consideration those who may conscientiously object to some of their actions, but who, in the main, approve; for they are generally the thinkers and men of ability, and those not slavishly seeking personal preferment.

We can already see the gradual evolution of the reform in sentiment that we advocate. In fact, it is already here. As a matter of course, the election laws should recognize, as now, the full authority of party nominations, but any law that practically prevents fusion nominations should be changed so as to allow the largest liberty to the voters in the selection of their officials.

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